

Annual Financial Report
of the
Town of Stonington, Connecticut
For the Year Ended June 30, 2021

Town of Stonington, Connecticut

**Annual Financial Report
For the Year Ended June 30, 2021**

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Introductory Section

Town of Stonington, Connecticut

**Principal Officials
June 30, 2021**

Board of Selectmen

Danielle Chesebrough, First Selectman
June Strunk, Selectwoman
Deborah Downie, Selectwoman

Board of Finance

Timothy O'Brien, Chairman
Glenn Frishman
Michael Fauerbach
Lynn Young
Deborah Norman
Robert Statchen
David L. Motherway, Jr.

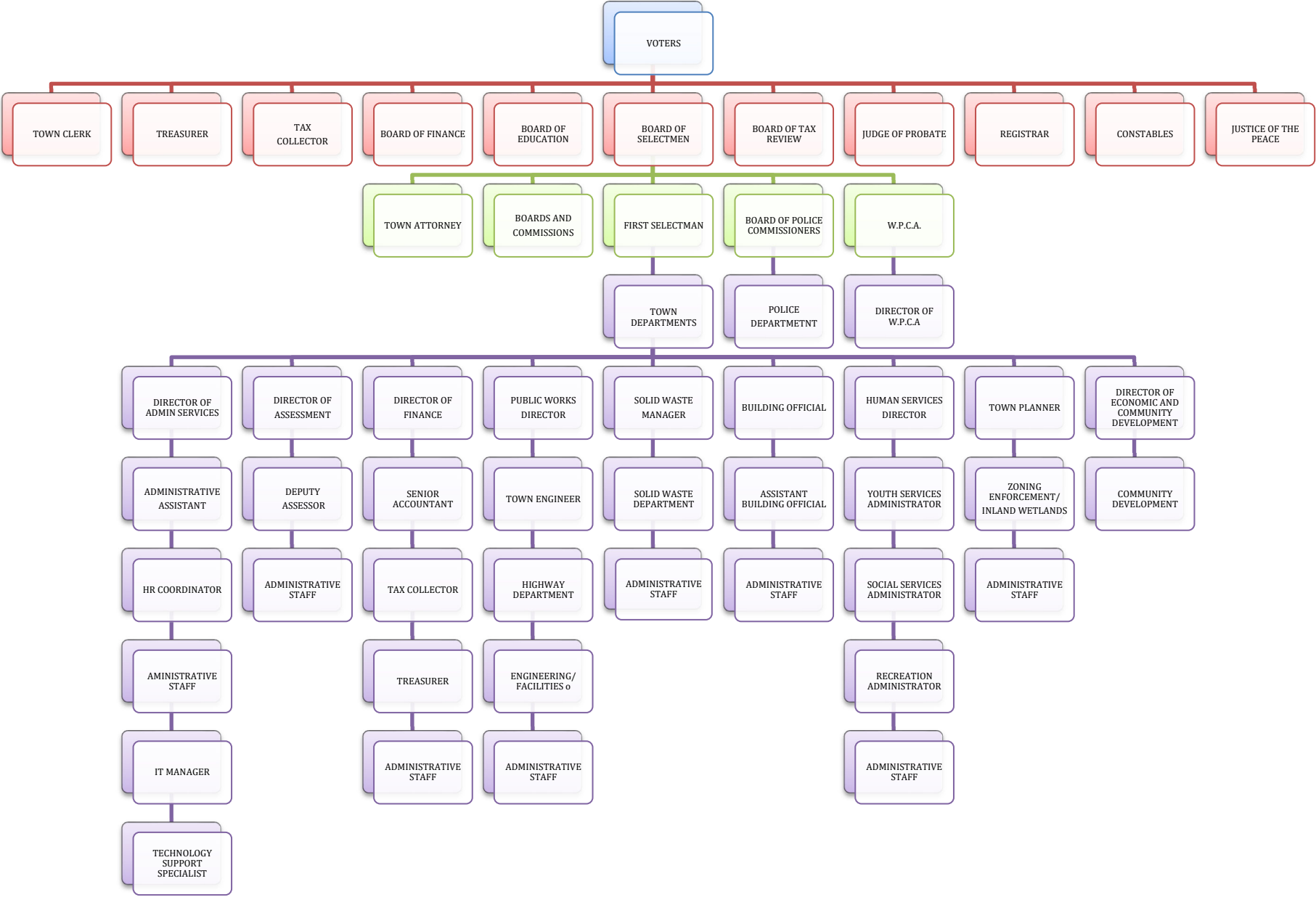
Town Departments

James Sullivan, CPA, Director of Finance
Samuel Grimes, Treasurer
Gary Shettle, Board of Education Director of Finance
Jennifer Lineaweaver, Assessor
Linda Carmelio, Tax Collector
Dr. Van W. Riley, Superintendent of Schools
Barbara McKrell, Public Works Director
Douglas Nettleton, Director - W.P.C.A.
Cynthia Costa Ladwig, Town Clerk
J. Darren Stewart, Chief of Police
Lawrence Stannard, Building Official
Chris Greenlaw, Town Engineer
Patti Burmahl, Director of Administrative Services
John Phetteplace - Solid Waste Manager
Leanne Theodore, Director of Human Services

Auditors

PKF O'Connor Davies, LLP

TOWN OF STONINGTON
ORGANIZATIONAL CHART



Financial Section

Independent Auditors' Report

**Board of Finance
Town of Stonington, Connecticut**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Stonington, Connecticut ("Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Board of Finance
Town of Stonington, Connecticut**

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Stonington, Connecticut, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons and the pension plan and other post-employment benefit plan schedules as listed in the table of contents, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, supplemental schedules and trend information section are presented for purposes of additional analysis and are not a required part of the basic financial statements

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and trend information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Board of Finance
Town of Stonington, Connecticut**

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 25, 2022



TOWN OF STONINGTON

152 Elm Street • Stonington, Connecticut 06378
Tel: 860 535-5070 Fax: 860 535-0602

Management's Discussion and Analysis For the Year Ended June 30, 2021

As management of the Town of Stonington, Connecticut ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. Please read it in conjunction with the Town's financial statements immediately following this section.

Financial highlights

The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$144,445,473 (net position). Of this amount, \$22,989,475 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town's total net position increased by \$10,062,590. The increase is due to the following:

Governmental fund activity:

➤ positive operations of the general fund of	\$ 2,646,207
➤ positive operations of the bonded capital projects fund of	10,577,325
➤ negative operations of the capital nonrecurring fund of	(804,165)
➤ positive operations of the other governmental funds of	1,433,910

Conversion to accrual basis on Exhibit E:

➤ net principal debt activity of	(6,547,216)
➤ change in net pension liability of	5,549,478
➤ change in net pension asset of	1,635,183
➤ change in pension and OPEB deferred outflows/inflows of resources of	(6,670,715)
➤ positive operations of the internal service fund of	631,289

- The Town's governmental funds reported combined ending fund balances of \$43,368,312, an increase of \$14,215,435 in comparison with the prior year. The change is due to the operating results of each fund noted above and described in further detail in the Financial Analysis of the Town's Funds section.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$17,128,373, or 24.29% of total general fund budgetary expenditures and transfers.

- Net capital assets increased by \$219,189 during the current fiscal year. The increase is attributable to net capital asset additions in excess of depreciation expense of \$4,648,904.
- The Town's bonded debt and notes payable increased by \$3,901,289 due to the issuance of \$10,000,000 of general obligation bonds, \$7,510,000 of refunding bonds, and \$565,674 of equipment financing notes, offset by scheduled principal payments on outstanding long-term debt of \$5,644,385 and \$8,530,000 of debt refunded.

Overview of the basic financial statements

This discussion and analysis is intended to serve as an introduction to the Town of Stonington's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. The statement of fiduciary net position is used to present financial information about activities for which the Town acts solely as an agent for the benefit of employees and others.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between these accounts reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement are for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public works, public safety, human services, social services, library, recreation and education.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Sewer Usage Fund, Bonded Capital Projects Fund and Capital Nonrecurring Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the combining schedules on Schedules 6 and 7.

Proprietary funds

The Town maintains two proprietary funds, both of which are internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its self-insured medical benefits. The Town also maintains a self-insurance fund to partially self-insure the Town Dock against a catastrophic event. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information as follows:

- A budgetary comparison schedule for the General Fund to demonstrate compliance with this budget.
- Schedules to demonstrate the Town's progress in funding its obligation to provide pension benefits.
- Schedules to demonstrate the Town's progress in funding its obligation to provide other post-employment benefits.

Other information

Other required schedules, additional budgetary schedules and the combining schedules referred to earlier in connection with other governmental funds are presented immediately following the required supplementary information section.

Government-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$144,445,473 at the close of the most recent fiscal year.

By far the largest portion of the Town's net position (81.94%) reflects its investment in capital assets (e.g., land, construction in progress, land and building improvements, buildings, machinery, equipment, infrastructure and vehicles), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The analysis below focuses on the net position and changes in net position. Unrestricted net position at year-end totaled \$22,989,475. This is an increase of \$6,337,121 from the prior year.

Statements of Net Position June 30

	2021	2020 (as restated)
Current and other assets	\$ 58,021,934	\$ 42,102,895
Capital assets (net)	187,798,160	187,578,971
Total assets	245,820,094	229,681,866
Deferred outflows of resources	3,764,257	5,961,028
Other liabilities	11,014,919	11,477,937
Long-term liabilities	85,744,165	86,893,983
Total liabilities	96,759,084	98,371,920
Deferred inflows of resources	8,379,794	2,888,091
Net position:		
Net investment in capital assets	118,360,803	114,933,273
Restricted	3,095,195	2,797,256
Unrestricted	22,989,475	16,652,354
Total net position	\$ 144,445,473	\$ 134,382,883

Management Discussion and Analysis

A small portion of the Town's net position, 2.14%, represents resources that are subject to external restrictions on how they may be used.

The unrestricted balance is 15.92% and may be used to meet the Town's ongoing obligations to citizens and creditors.

Net position may serve over time as a useful indicator of a Town's financial position. The Town's net position increased \$10,062,590 as detailed below:

Statements of Changes in Net Position For the Years Ended June 30

	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ 8,050,314	\$ 7,319,171
Operating grants and contributions	9,494,376	9,428,116
Capital grants and contributions	3,092,704	1,307,490
General revenues:		
Property taxes	66,413,590	65,709,951
Grants and contributions not restricted to specific programs	285,767	300,052
Income from investments	146,057	543,545
Other	3,855	103,159
Total revenues	<u>87,486,663</u>	<u>84,711,484</u>
Expenses:		
General government	6,500,728	7,174,167
Public works	12,355,983	11,554,946
Public safety	8,369,450	9,002,428
Human services	957,182	548,536
Social services	365,000	347,892
Recreation	320,485	348,942
Libraries	446,500	346,500
Education	45,796,551	47,386,880
Interest	2,312,194	2,778,496
Total expenses	<u>77,424,073</u>	<u>79,488,787</u>
Increase in net position	10,062,590	5,222,697
Net position - July 1	134,382,883	128,450,311
Restatement (Note VI)	<u>-</u>	<u>709,875</u>
Net position - June 30	<u>\$ 144,445,473</u>	<u>\$ 134,382,883</u>

Property taxes comprise 75.91% of revenues, followed by grants and contributions 14.71%, charges for services 9.20% and investment earnings/other 0.17%.

Management Discussion and Analysis

Significant revenue related changes are as follows:

- Property taxes increased by \$703,639 due to the increase in the tax levy necessary to support the adopted budget.
- Capital grants and contributions increased by \$1,785,214 primarily due to receiving the ARPA grant of \$2,615,463, offset by a \$426,785 decrease in the school construction grant.

Governmental activity expenses totaled \$77,424,073 for the fiscal year, a decrease of \$2,064,714. Of the total expenses, \$46,170,350 or 59.63% is related to education. Details for all categories are as follows:

General government	8.40%
Public works	15.96%
Public safety	10.81%
Human services	1.24%
Social services	0.47%
Recreation	0.41%
Libraries	0.58%
Education	59.14%
Interest	2.99%
Total	<u>100.00%</u>

The most significant fluctuations from the prior year were as follows:

- General government expenses decreased by \$673,439 primarily due to a decrease in the pension expense of \$371,598 and compensated absences of \$312,240.
- Public works expenses increased by \$801,037 due to increases in road maintenance costs, road material costs and snow removal as compared to the prior year. There also was an increase in depreciation expense of \$119,748 due to WPCA renovation projects place in service during the year.
- Public safety expenses decreased by \$632,978 due to a decrease in the pension expense of \$656,165.
- Education expenses decreased by \$1,590,329 primarily due to a decrease in the pension expense of \$1,025,736.

Financial analysis of the Town's funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a Town's net resources available for spending at the end of the fiscal year.

Management Discussion and Analysis

The Town reports fund balance in 5 categories. The following are the categories and definitions:

- Nonspendable fund balance - not in spendable format such as inventories and prepaid expenses.
- Restricted fund balance - limitations imposed by external parties, grantors or by legislation.
- Committed fund balance - can only be spent for specific purposes as established by the government's highest level of decision-making authority or contractual obligations.
- Assigned fund balance - amounts that are intended for a specific purpose but do not meet the definition of restricted or committed (i.e., designated for subsequent year's budget).
- Unassigned fund balance - amounts available for any purpose.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$43,368,312, an increase of \$14,215,435 in comparison with the prior year. \$17,128,373, or 39.51% of this total amount constitutes unassigned fund balance.

The components of fund balance were as follows:

Restricted	\$ 3,095,195
Committed	20,417,170
Assigned	2,727,574
Unassigned	<u>17,128,373</u>
Total	<u>\$ 43,368,312</u>

The total fund balance increased by \$14,215,435. This increase is a result of the following activity:

General Fund. The general fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$17,128,373, while total fund balance reached \$18,364,144. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24.29% of total general fund budgetary expenditures and transfers out, while total fund balance represents 26.04% of that same amount.

During the current fiscal year, the fund balance of the Town's general fund increased by \$2,646,207. The increase was primarily due to property tax revenues over budget by \$634,899 and charges for services exceeding the amount budgeted by \$560,700. In addition, expenditures were underspent by a total of \$1,094,185. Details of the results of operations are discussed below under general fund budgetary highlights.

Sewer Usage Fund. The fund accounts for the Town's sewer usage operations. During the year, revenues and transfers in exceeded expenditures by \$362,158. Charges for services increased by \$519,990 due to increased usage as people are working from home and transfers in increased by \$254,000. Expenditures were comparable to the prior year. Net position at year end was \$455,234.

Bonded Capital Projects Fund. The Bonded Capital Projects Fund accounts for financial resources to be used for major construction or acquisition of facilities. The fund's net change in fund balance was an increase of \$10,577,325 for the fiscal year. This is primarily the result of issuances of general obligation bonds of \$10,000,000, for the WPCA renovation project.

Capital Nonrecurring Fund. The Capital Nonrecurring Fund's net change in fund balance was a decrease of \$804,165 for the fiscal year due to the timing of the funding and spending for projects.

Proprietary funds

The medical self-insurance internal service fund and the Town dock self-insurance fund are the Town's only proprietary funds. Unrestricted net position for the medical self-insurance fund at year end was \$5,678,237, an increase of \$539,697 from the prior year. Expenses increased by \$798,115 as a result of the pandemic and medical related closures in the prior year. However, claims were less than expected. Unrestricted net position for the Town dock self-insurance fund at year end was \$974,080, an increase of \$91,592 from the prior year due to there being no current year claims.

General fund budgetary highlights

The difference between the original budget and the final amended budget was \$71,794. The significant additional appropriations and budget transfers were as follows:

- Budget transfer of \$560,239 to transfers out to capital nonrecurring fund for technology upgrades and school roof repairs from the Board of Finance contingency of \$482,264 and other budget lines.

Revenues:

Revenues and other financing sources exceeded the budget by a total of \$1,058,560. The most significant variances were as follows:

- Property taxes revenue exceeded the amount budgeted by \$634,899 due to conservative collection estimates during the pandemic.
- Charges for services exceeded the amount budgeted by \$560,700. This was substantially due to revenues exceeding the amounts budgeted for conveyance taxes of \$254,156, Town clerk's fees of \$101,356, building permits of \$72,199, and solid waste fees of \$69,000.

Expenditures:

Expenditures were underspent by a total of \$1,094,185. The most significant variances were as follows:

- General government was underspent by \$294,671 due to the savings in employee benefits of \$119,894, administration department of \$23,178, planning department of \$18,000, finance department of \$15,000, and Board of Finance of \$23,880. Savings were a result of the police department not being fully staffed for most of the year, and decrease to advertising and professional services, across most departments, due to COVID.
- Public works was \$258,349 under budget due to the highway and solid waste budgets being underspent by \$89,470 and \$99,385, respectively, due to significant surpluses in highway department fuel and materials line items. Fuel was down because of a favorable fuel contract the Town entered into, and materials (salt) were down due to lower than average snow fall in fiscal year 2021. Solid waste surplus was due to commercial garbage tipping expense being down due to a decrease in commercial activity due to COVID.

- Public safety was \$394,521 under budget due to vacancies of 3 officers of approximately \$180,000 and the retirement fund was under budget by \$70,267 due to the contribution to the defined-contribution plan was less than anticipated as market performance in the fund required a lower contribution.

Capital assets and debt administration

Capital assets

The Town's investment in capital assets amounts to \$187,798,160 (net of accumulated depreciation). This investment in capital assets is as follows:

	Capital Assets - Net June 30	
	2021	2020
Land	\$ 12,709,836	\$ 12,709,836
Construction in progress	2,854,923	84,213,747
Land and building improvements	24,217,379	6,738,796
Buildings	91,922,138	28,565,367
Machinery and equipment	3,090,088	1,970,573
Infrastructure	51,603,208	51,930,886
Vehicles	1,400,588	1,449,766
Total	<u>\$ 187,798,160</u>	<u>\$ 187,578,971</u>

The capital assets (net of depreciation) increased in the current year by \$219,189. The increase is due to capital additions exceeding depreciation expense. In the current year, the Town had capital asset additions totaling \$89,926,027 and deductions totaling \$85,057,934 for construction in progress that was placed in service. Major capital asset events during the current fiscal year included the following:

Construction in progress additions of:

- PreK-5 construction project \$ 1,432,413
- Mystic to Borough transfer 1,474,468

Land and building improvements additions (placed in service) of:

- Water treatment facility 17,624,689

Building additions (placed in service) of:

- PreK-5 construction project 64,707,277

Machinery and equipment additions of :

- Public safety equipment 930,771

Infrastructure additions of:

- Various road projects 1,467,742

Vehicles purchases of:

- Police vehicles 259,725

Additional information on the Town's capital assets can be found in Note III D.

Long-term debt

At the end of the fiscal year, the Town had total long-term debt outstanding of \$73,066,518. All debt is backed by the full faith and credit of the Town.

Outstanding Debt General Obligation Bonds and Notes June 30

	<u>2021</u>	<u>2020</u>
General obligation bonds	\$ 72,060,000	\$ 68,285,000
Notes	1,006,518	880,229
Totals	<u>\$ 73,066,518</u>	<u>\$ 69,165,229</u>

During the current fiscal year, the Town's total long-term debt increased by a net \$3,901,289. The increase was due to the issuance of \$10,000,000 of general obligation bonds, \$7,510,000 of refunding bonds and \$565,674 of equipment financing notes, offset by scheduled principal payments on outstanding long-term debt of \$5,677,281 and \$8,530,000 of debt refunded.

The Town maintains an "Aa1" credit rating from Moody's Investor Service, and a rating from Standard and Poor's of AAA.

State Statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total prior year tax collections including interest and lien fees. The current debt limitation for the Town is \$500,819,053, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note III F.

Economic factors and next year's budgets and rates

- At June 2020, the unemployment rate for the Town was 5.2% as compared to the state's average unemployment rate of 7.7% and a national unemployment rate of 5.9%. This is lower than 9.7% for the prior year. The decreases are due to the impact of the coronavirus pandemic.
- The potential impact of the pandemic on the local economy, businesses and Town revenues is being continually monitored. For fiscal year 2021, there was a negative impact on income from investments, but other revenues such as building permits and conveyance taxes were positively impacted. The town did not see any impact on tax collections for prior fiscal year and there is no indication that there will be an impact on 2022 collections.

Requests for information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, James P. Sullivan, CPA, Town of Stonington, 152 Elm Street, Stonington, CT 06378.

Basic Financial Statements

Town of Stonington, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2021

<u>Assets</u>	
Current assets:	
Cash	\$ 21,771,365
Investments	31,595,475
Receivables (net):	
Property taxes	180,775
Assessments/user charges	946,215
Intergovernmental	483,464
Other	404,098
Other	16,138
Total current assets	<u>55,397,530</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	60,423
Investments	559,128
Total restricted assets	<u>619,551</u>
Receivables (net):	
Property taxes	36,307
Assessments/user charges	147,159
Loans	186,204
Total receivables (net)	<u>369,670</u>
Other noncurrent assets:	
Net pension asset	<u>1,635,183</u>
Capital assets (net of accumulated depreciation):	
Land	12,709,836
Construction in progress	2,854,923
Land and building improvements	24,217,379
Buildings	91,922,138
Machinery and equipment	3,090,088
Infrastructure	51,603,208
Vehicles	1,400,588
Total capital assets	<u>187,798,160</u>
Total noncurrent assets	<u>190,422,564</u>
Total assets	<u>245,820,094</u>
<u>Deferred Outflows of Resources</u>	
Deferred outflows related to pensions	3,460,014
Deferred outflows related to OPEB	304,243
Total deferred outflows of resources	<u>3,764,257</u>

The notes to financial statements are an integral part of this statement.

(Continued)

Town of Stonington, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2021

Liabilities

Current liabilities:

Accounts payable	\$ 2,183,105
Accrued payroll and related liabilities	417,663
Retainage payable	1,224,907
Accrued interest payable	525,965
Unearned revenue	228,440
Claims payable	382,000
Bonds and notes payable	5,333,975
Compensated absences	693,864
Landfill postclosure costs	25,000

Total current liabilities	<u>11,014,919</u>
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Noncurrent liabilities:

Performance bonds and customer deposits	619,551
Bonds, notes, and related liabilities	71,833,820
Compensated absences	2,081,592
Landfill postclosure costs	75,000
Heart and hypertension	142,728
Net pension liability	8,322,442
Net OPEB liability	2,669,032

Total noncurrent liabilities	<u>85,744,165</u>
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Total liabilities	<u>96,759,084</u>
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Deferred Inflows of Resources

Deferred charge on refunding	1,044,655
Deferred inflows related to pension	5,441,641
Deferred inflows related to OPEB	1,893,498

Total deferred inflows of resources	<u>8,379,794</u>
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Net Position

Net investment in capital assets	118,360,803
Restricted for:	
Public safety	21,737
Highway department	490,034
Sanitation and waste removal	2,251,271
Human services	18,473
Housing rehabilitation programs	222,309
Education	91,371
Unrestricted	22,989,475
Total net position	<u>\$ 144,445,473</u>

(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Statement of Activities
Governmental Activities
For the Year Ended June 30, 2021

	Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	General government	\$ 6,500,728	\$ 1,524,354	\$ 190,062	\$ 2,615,463	\$ (2,170,849)
	Public works	12,355,983	5,152,965	37,940	477,241	(6,687,837)
	Public safety	8,369,450	458,484	134,557	-	(7,776,409)
	Human services	957,182	-	325,660	-	(631,522)
	Social services	365,000	-	-	-	(365,000)
	Recreation	320,485	251,713	18,150	-	(50,622)
	Libraries	446,500	-	-	-	(446,500)
	Education	45,796,551	662,798	8,788,007	-	(36,345,746)
	Interest	2,312,194	-	-	-	(2,312,194)
	Total	\$ 77,424,073	\$ 8,050,314	\$ 9,494,376	\$ 3,092,704	(56,786,679)
			General revenues:			
			Property taxes			66,413,590
			Grants and contributions not restricted to specific programs			285,767
			Income from investments			146,057
			Other			3,855
						<u>66,849,269</u>
			Total general revenues			<u>66,849,269</u>
			Change in net position			10,062,590
			Net position - July 1, 2020 (as restated)			<u>134,382,883</u>
			Net position - June 30, 2021			<u>\$ 144,445,473</u>

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Sewer Usage Fund	Bonded Capital Projects Fund	Capital Nonrecurring Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash	\$ 3,736,893	\$ 929,661	\$ -	\$ 6,209,528	\$ 4,196,519	\$ 15,072,601
Restricted cash	36,329	24,094	-	-	-	60,423
Investments	31,360,057	10,250	-	-	225,168	31,595,475
Restricted investments	559,128	-	-	-	-	559,128
Receivables (net):						
Property taxes	225,225	-	-	-	-	225,225
Loans	-	-	-	-	186,204	186,204
Assessments/use charges	-	1,091,717	-	-	1,657	1,093,374
Intergovernmental	28,415	-	-	-	455,049	483,464
Other	260,036	3,904	-	42,313	66,215	372,468
Due from other funds	1,603,131	-	10,529,559	-	5,508,024	17,640,714
Other	16,138	-	-	-	-	16,138
Total assets	<u>\$ 37,825,352</u>	<u>\$ 2,059,626</u>	<u>\$ 10,529,559</u>	<u>\$ 6,251,841</u>	<u>\$ 10,638,836</u>	<u>\$ 67,305,214</u>
<u>Liabilities</u>						
Accounts payable	\$ 1,911,676	\$ 7,675	\$ -	\$ -	\$ 263,754	\$ 2,183,105
Accrued payroll and related liabilities	417,663	-	-	-	-	417,663
Retainage payable	-	-	2,160	79,368	1,143,379	1,224,907
Due to other funds	16,311,187	480,906	-	688,163	464,381	17,944,637
Unearned revenue	-	-	-	-	228,440	228,440
Performance bonds and customer deposits	595,457	24,094	-	-	-	619,551
Total liabilities	<u>19,235,983</u>	<u>512,675</u>	<u>2,160</u>	<u>767,531</u>	<u>2,099,954</u>	<u>22,618,303</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue:						
Property taxes	225,225	-	-	-	-	225,225
Assessments/use charges	-	1,091,717	-	-	1,657	1,093,374
Total deferred inflows of resources	<u>225,225</u>	<u>1,091,717</u>	<u>-</u>	<u>-</u>	<u>1,657</u>	<u>1,318,599</u>
<u>Fund Balances</u>						
Restricted	-	455,234	-	-	2,639,961	3,095,195
Committed	-	-	10,527,399	5,484,310	4,405,461	20,417,170
Assigned	1,235,771	-	-	-	1,491,803	2,727,574
Unassigned	17,128,373	-	-	-	-	17,128,373
Total fund balances	<u>18,364,144</u>	<u>455,234</u>	<u>10,527,399</u>	<u>5,484,310</u>	<u>8,537,225</u>	<u>43,368,312</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 37,825,352</u>	<u>\$ 2,059,626</u>	<u>\$ 10,529,559</u>	<u>\$ 6,251,841</u>	<u>\$ 10,638,836</u>	<u>\$ 67,305,214</u>

(Continued)

Town of Stonington, Connecticut

**Reconciliation of Fund Balances to Net Position
of Governmental Activities
June 30, 2021**

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different from the governmental fund balance sheet due to:

Total fund balances (Exhibit C, Page 1)	<u>\$ 43,368,312</u>
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets	187,578,971
Current year additions (net of construction in progress decreases)	4,868,093
Depreciation expense	<u>(4,648,904)</u>
Total	<u>187,798,160</u>

Other long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the funds:

Net pension asset	1,635,183
Property tax interest and lien accrual	28,857
Allowance for doubtful accounts	(37,000)
Deferred outflows related to pensions	3,460,014
Deferred outflows related to OPEB	<u>304,243</u>
Total	<u>5,391,297</u>

Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:

Property tax and sewer assessments receivable-accrual basis change	<u>1,318,599</u>
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Internal service funds are used by management for risk financing activities:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>6,652,317</u>
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Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable and related liabilities	(77,167,795)
Compensated absences	(2,775,456)
Landfill postclosure costs	(100,000)
Heart and hypertension	(142,728)
Net pension liability	(8,322,442)
Net OPEB liability	(2,669,032)
Accrued interest payable	(525,965)
Deferred charge on refunding	(1,044,655)
Deferred inflows related to pensions	(5,441,641)
Deferred inflows related to OPEB	<u>(1,893,498)</u>

Total	<u>(100,083,212)</u>
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Net position (Exhibit A)	<u><u>\$ 144,445,473</u></u>
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(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2021

	General Fund	Sewer Usage Fund	Bonded Capital Projects Fund	Capital Nonrecurring Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 66,693,136	\$ -	\$ -	\$ -	\$ -	\$ 66,693,136
Intergovernmental	6,356,899	4,216	77,647	34,243	6,399,842	12,872,847
Charges for services	4,003,916	2,751,409	-	90,602	1,355,497	8,201,424
Use of money and property	109,400	-	-	13,048	13,152	135,600
Other	-	2,026	-	-	1,829	3,855
Total revenues	<u>77,163,351</u>	<u>2,757,651</u>	<u>77,647</u>	<u>137,893</u>	<u>7,770,320</u>	<u>87,906,862</u>
Expenditures:						
Current:						
General government	7,493,300	-	-	-	25,344	7,518,644
Public safety	5,872,375	-	-	-	463,704	6,336,079
Public works	6,588,362	2,899,493	-	-	271,179	9,759,034
Human services	446,853	-	-	-	393,101	839,954
Social services	365,000	-	-	-	-	365,000
Libraries	446,500	-	-	-	-	446,500
Recreation	138,060	-	-	-	182,425	320,485
Other civic divisions	267,828	-	-	-	-	267,828
Education	41,353,389	-	-	-	3,378,349	44,731,738
Debt service	8,066,702	-	320,507	-	-	8,387,209
Capital outlay	-	-	223,958	4,568,761	1,442,838	6,235,557
Total expenditures	<u>71,038,369</u>	<u>2,899,493</u>	<u>544,465</u>	<u>4,568,761</u>	<u>6,156,940</u>	<u>85,208,028</u>
Excess (deficiency) of revenues over expenditures	<u>6,124,982</u>	<u>(141,842)</u>	<u>(466,818)</u>	<u>(4,430,868)</u>	<u>1,613,380</u>	<u>2,698,834</u>
Other financing sources (uses):						
Issuance of debt	-	-	10,000,000	565,674	-	10,565,674
Issuance of refunding debt	-	-	7,510,000	-	-	7,510,000
Payment to refunded bonds escrow agent	-	-	(8,665,116)	-	-	(8,665,116)
Premium	-	-	2,106,043	-	-	2,106,043
Transfers in	31,794	504,000	93,216	3,061,029	168,483	3,858,522
Transfers out	<u>(3,510,569)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(347,953)</u>	<u>(3,858,522)</u>
Net other financing sources (uses)	<u>(3,478,775)</u>	<u>504,000</u>	<u>11,044,143</u>	<u>3,626,703</u>	<u>(179,470)</u>	<u>11,516,601</u>
Net change in fund balances	2,646,207	362,158	10,577,325	(804,165)	1,433,910	14,215,435
Fund balances - July 1, 2020 (as restated)	<u>15,717,937</u>	<u>93,076</u>	<u>(49,926)</u>	<u>6,288,475</u>	<u>7,103,315</u>	<u>29,152,877</u>
Fund balances - June 30, 2021	<u>\$ 18,364,144</u>	<u>\$ 455,234</u>	<u>\$ 10,527,399</u>	<u>\$ 5,484,310</u>	<u>\$ 8,537,225</u>	<u>\$ 43,368,312</u>

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021**

Amounts reported in the statement of activities (Exhibit B) are different due to:

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ 14,215,435</u>
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	4,868,093
Depreciation expense	<u>(4,648,904)</u>
Total	<u>219,189</u>

Revenues in the statement of activities that do not provide current financial resources are not as revenues in the funds and revenues recognized in the fund financial statements are not reported the statement of activities:

Change in property tax and sewer assessments receivable - accrual basis change	(431,234)
Change in property tax interest and lien revenue	(23,422)
Change in property tax allowance for doubtful accounts	<u>24,000</u>
Total	<u>(430,656)</u>

The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Issuance of bonds and notes	(10,565,674)
Issuance of refunding bonds	(7,510,000)
Premium	(950,927)
Deferred charge on refunding	(1,695,000)
Principal payments:	
General obligation bonds and notes	<u>14,174,385</u>
Total	<u>(6,547,216)</u>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021**

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in:	
Compensated absences	\$ (137,804)
Landfill post closure costs	25,000
Heart and hypertension	40,327
Net pension liability	5,549,478
Net OPEB liability	427,450
Net pension asset	1,635,183
Deferred outflows of resources related to pension	(2,100,181)
Deferred inflows of resources related to pension	(4,354,839)
Deferred outflows of resources related to OPEB	(96,590)
Deferred inflows of resources related to OPEB	(119,105)
Accrued interest payable	125,166
Amortization of premium	303,223
Amortization of deferred charge on refunding	677,241
Total	<u>1,974,549</u>

Internal service funds are used by management for risk financing activities:

The net revenue (expense) of the activities of the internal service funds are reported with governmental activities	<u>631,289</u>
Change in net position (Exhibit B)	<u>\$ 10,062,590</u>

(Concluded)

Town of Stonington, Connecticut

Statement of Net Position
 Proprietary Funds
 June 30, 2021

	<u>Internal Service Fund</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 6,698,764
Accounts receivable	31,630
Due from other funds	<u>303,923</u>
Total current assets	<u>7,034,317</u>
<u>Liability</u>	
Current liability:	
Claims payable	<u>382,000</u>
<u>Net Position</u>	
Unrestricted	<u><u>\$ 6,652,317</u></u>

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	<u>Internal Service Fund</u>
Operating revenues:	
Charges for services	<u>\$ 7,455,169</u>
Operating expenses:	
Claims	5,298,454
Administration and insurance	<u>1,535,883</u>
Total operating expenses	<u>6,834,337</u>
Operating income (loss)	620,832
Nonoperating revenues:	
Income from investments	<u>10,457</u>
Change in net position	631,289
Net position - July 1, 2020	<u>6,021,028</u>
Net position - June 30, 2021	<u><u>\$ 6,652,317</u></u>

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	<u>Internal Service Fund</u>
Cash flows from (used in) operating activities:	
Cash received for premiums	\$ 7,600,646
Cash paid for claims	(5,259,454)
Cash paid for administration and insurance	<u>(1,535,883)</u>
Net cash from (used in) operating activities	805,309
Cash flows from (used in) investing activities:	
Income from investments	<u>10,457</u>
Net increase (decrease) in cash	815,766
Cash - July 1, 2020	<u>5,882,998</u>
Cash - June 30, 2021	<u><u>\$ 6,698,764</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ 620,832
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable	(16,622)
Due from other funds	162,099
Increase (decrease) in:	
Claims payable	<u>39,000</u>
Net cash from (used in) operating activities	<u><u>\$ 805,309</u></u>

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Pension and OPEB Trust Funds
	<hr/>
<u>Assets</u>	
Cash	\$ 102,354
Contributions receivable	<hr/> 125,993
Investments:	
Mutual funds:	
Money market	199,481
Fixed income	1,043,887
Bond	12,124,011
Equity	31,133,277
Equities	1,338,925
Municipal bonds	406,395
Corporate bonds	<hr/> 972,644
Total investments	<hr/> 47,218,620
Total assets	<hr/> 47,446,967
<u>Net Position</u>	
Restricted for:	
Pensions	42,508,948
OPEB	<hr/> 4,938,019
Total net position	<hr/> <hr/> \$ 47,446,967

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Pension and OPEB Trust Funds
	<u> </u>
Additions:	
Contributions:	
Employer	\$ 1,255,409
TRB subsidy	57,719
Employee	<u>240,643</u>
Total contributions	<u>1,553,771</u>
Investment income (loss):	
Net change in fair value of investments	9,216,327
Interest and dividends	<u>721,036</u>
Total investment income (loss)	9,937,363
Less investment expense	<u>49,982</u>
Net investment income (loss)	<u>9,887,381</u>
Total additions	<u>11,441,152</u>
Deductions:	
Benefits	2,065,215
Administration	<u>99,741</u>
Total deductions	<u>2,164,956</u>
Change in net position	9,276,196
Net position - July 1, 2020	<u>38,170,771</u>
Net position - June 30, 2021	<u><u>\$ 47,446,967</u></u>

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021**History and organization**

The Town of Stonington, Connecticut ("Town") is located in the southeastern corner of Connecticut, bordering Rhode Island to the east, Long Island Sound to the south and Groton, Ledyard and North Stonington to the west and north. The Town, which covers 42.7 square miles, was settled in 1649. The Town operates under a Selectmen-Town Meeting form of government as prescribed by the Connecticut General Statutes and its charter, which was adopted November 7, 1989. The Town provides the following services as authorized by its charter: public safety, public works (streets and highways), sanitation, culture and recreation, planning, zoning, public health and social services, sewers and education encompassing grades Pre-K through 12.

The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town is financially accountable for the pension and OPEB trust funds and therefore, they are considered fiduciary component units. The financial statements of the fiduciary component units are reported as pension and OPEB trust funds in the fiduciary fund financial statements. The pension and OPEB trust funds do not issue separate financial statements.

I. Summary of significant accounting policies**A. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

B. Measurement focus, basis of accounting and financial statement presentation (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected during the current fiscal period. In addition, the Town considers reimbursement grants to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and OPEB benefits, certain other employee benefits, and certain other long-term liabilities are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Expenditure reimbursement type grants, certain intergovernmental revenues, certain charges, transfers, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenues, including property taxes, are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund	The Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
Sewer Usage Fund	Accounts for the Town's sewer use operations.
Bonded Capital Projects Fund	Capital project funds account for financial resources to be used for major construction or acquisition of facilities.
Capital Nonrecurring Fund	Accounts for activities associated with major capital improvements and equipment.

Additionally, the Town reports the following fund types:

Special Revenue Funds	Accounts for and reports the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specified purposes other than debt.
Capital Projects Fund	Accounts for and reports resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.
Internal Service Fund	Accounts for risk financing activities for medical insurance benefits and for general liability and property claims related to the Town dock as allowed by GASB Statement No. 10.
Pension Trust Funds	Accounts for the activities of the Stonington Retirement System, which accumulates resources for pension benefit payments to qualified employees.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

B. Measurement focus, basis of accounting and financial statement presentation (continued)

OPEB Trust Funds	Accounts for the activities of the Town OPEB Plan and Police OPEB Plan, which accumulate resources for OPEB benefits.
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As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are charges between certain Town functions because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service funds are charges to customers for services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town of Stonington Pension and OPEB plans, the Connecticut Municipal Employees Retirement System ("MERS"), the Connecticut State Teachers' Retirement System ("TRS"), and the Connecticut State Retiree Health Insurance Plan ("RHIP") have been determined on the same basis as they are reported by the Town's pension and OPEB plans, MERS, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

C. Assets, liabilities, deferred outflows/inflows of resources and equity**1. Cash and investments****a. Cash**

The Town considers cash as cash on hand and demand deposits.

For cash flow purposes the Town considers cash equivalents money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**b. Investments**

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital nonrecurring fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The Town's pension funds are regulated by an approved investment policy, which is reviewed annually by the pension board. The Town has agreements with the investment advisors, who manage the investment portfolios and have full authority for the investment and reinvestment of pension fund assets. Investments for the Town are reported at fair value. The investment guidelines are as follows:

<u>Asset Class</u>	<u>Pension</u>	<u>OPEB</u>
Equities	65.00%	39.95%
Fixed income	35.00%	53.55%
Cash	-	6.50%
Total	<u>100.00%</u>	<u>100.00%</u>

c. Methods used to value investments

Investments for the Town are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Fair value of investments

The Town measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1	Quoted prices for identical investments in active markets
Level 2	Quoted prices for identical investments in markets that are not active
Level 3	Unobservable inputs

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**d. Risk policies**

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates
Credit risk	Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision
Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository
Custodial credit risk	Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town's policy follows the State of Connecticut requirements that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio
Foreign currency risk	Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to foreign currency risk

2. Receivables and payables**a. Interfunds**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

b. Property taxes and other receivables

In the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2% to 25% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, property tax revenues are recognized when they become available. Only taxes collected during the fiscal year are recorded as revenue.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicles taxes are due in full January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

Loan receivables consist of housing rehabilitation loans. The Town provides the low interest loans for residential rehabilitation as well as loans to local businesses for facility improvements.

3. Restricted assets

The restricted assets for the Town are restricted for performance bonds and sewer customer deposits. Performance bonds are restricted until the monies are returned to the vendor after satisfactory completion of contract or the Town calls the bond for nonperformance. Deposits are required to setup sewer user accounts.

4. Capital assets

Capital assets, which include construction in progress, property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000, \$10,000 for improvements and \$50,000 for infrastructure and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land and building improvements	20-50
Buildings	50
Machinery and equipment	5-15
Infrastructure	20-65
Vehicles	5-10

Town of Stonington, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2021****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****5. Deferred outflows/inflows of resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statements for differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on plan investments, changes in proportional share, and contributions subsequent to measurement date. The deferred outflow or inflow related to differences between expected and actual experience, changes in assumptions, and changes in proportional share will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period. The deferred outflow related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year.

Deferred inflows of resources also include deferred inflows relating to advance refunding of debt. These amounts are deferred and are amortized over the life of the new or old debt which ever is shorter.

Advance tax collections, if any, represent taxes associated with a future period. This amount is recognized during the period in which the revenue is associated.

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from several sources: property taxes (including advance collections, if any), sewer assessment and use charges. These amounts are recognized as an inflow of resources in the period that the amounts become available.

6. Compensated absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement.

Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources. The vesting method, using historical data, was used to calculate the liability.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**7. Long-term liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities' statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Net position and fund balances

In the government-wide financial statements, net position is classified into the following categories:

Net investment in capital assets	This category presents the net position that reflects capital assets net of depreciation and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded
Restricted net position	This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations)
Unrestricted net position	This category presents the net position of the Town which is not classified in the preceding two categories

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted - net position to have been depleted before unrestricted net position is applied.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable	This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact
Restricted	This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments
Committed	This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by the Board of Selectman and the Board of Finance
Assigned	This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the passage of a resolution by the Board of Finance or by a properly approved purchase order
Unassigned	This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board of Finance has provided otherwise in its commitment or assignment actions.

9. Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred outflows and inflows of resources including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates.

10. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

II. Stewardship, compliance and accountability**A. Basis of budgeting**

Only the General Fund has a legally adopted annual budget.

The Town uses the budgetary basis of accounting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in the budgetary statements included as required supplementary information.

Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

B. Capital projects authorizations

The following is a summary of certain capital projects:

Project Name	Project Authorization	Cumulative Expenditures	Project Balance
Waste water treatment facilities improvements	\$18,325,000	\$18,110,113	\$ 214,887
Road improvements	3,500,000	3,452,485	47,515
Various school renovations	69,000,000	65,959,118	3,040,882
Mystic river boathouse park	2,216,164	1,881,785	334,379
Athletic fields and facilities	2,700,000	2,676,221	23,779
Totals	<u>\$95,741,164</u>	<u>\$92,079,722</u>	<u>\$3,661,442</u>

III. Detailed notes**A. Cash and investments****1. Deposits – custodial credit risk**

At year end, the Town's bank balance, including certificates of deposits classified as investments, was \$54,247,512 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 6,316,479
Uninsured and collateral held by pledging bank's trust department not in the Town's name	<u>15,395,235</u>
Total amount subject to custodial credit risk	<u>\$ 21,711,714</u>

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceed the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

2. Investments

- a. The Town's investments consisted of the following types and maturities. Specific identification was used to determine maturities:

		Investment Maturities (In Years)				
Type of Investment	Fair Value	N/A	Less Than 1	1-5 Years	5-10 Years	Over 10
Mutual funds:						
Money market	\$ 199,481	\$ -	\$ 199,481	\$ -	\$ -	\$ -
Fixed income	1,043,887	-	1,043,887	-	-	-
Bond	12,124,011	-	-	-	12,124,011	-
Equity	31,133,277	31,133,277	-	-	-	-
Certificates of deposit	31,625,692	-	31,625,692	-	-	-
Pooled fixed income	528,911	-	528,911	-	-	-
Equities	1,338,925	1,338,925	-	-	-	-
Municipal bonds	406,395	-	102,015	89,837	96,608	117,935
Corporate bonds	972,644	-	270,023	702,621	-	-
Total	\$ 79,373,223	\$ 32,472,202	\$ 33,770,009	\$ 792,458	\$ 12,220,619	\$ 117,935

- b. The Town had the following recurring fair value measurements:

		Quoted Market Prices in Active Markets	Significant Observable Inputs
	Amount	Level 1	Level 2
<u>Investments by Fair Value Level</u>			
Mutual funds:			
Money market	\$ 199,481	\$ 199,481	\$ -
Fixed income	1,043,887	1,043,887	-
Bond	12,124,011	12,124,011	-
Equity	31,133,277	31,133,277	-
Equities	1,338,925	1,338,925	-
Municipal bonds	406,395	-	406,395
Corporate bonds	972,644	-	972,644
Total investments by fair value level	47,218,620	\$ 45,839,581	\$ 1,379,039
<u>Other Investments</u>			
Certificates of deposit	31,625,692		
Pooled fixed income	528,911		
Total other investments	32,154,603		
Total investments	\$ 79,373,223		

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Cash and investments (continued)

Level 1: Quoted prices for identical investments in active markets;

Level 2: Observable inputs: quoted prices for identical securities in markets that are not active. The fair value was determined based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets.

The market approach was used to determine the value of bonds.

- c. The Town's investments subject to credit risk had average ratings by Standard & Poor's as follows:

Type of Investment	Ratings					Totals
	AAA	AA	A	BBB	Unrated	
Mutual funds:						
Money market	\$ 199,481	\$ -	\$ -	\$ -	\$ -	\$ 199,481
Fixed income	1,043,887	-	-	-	-	1,043,887
Bonds	12,124,011	-	-	-	-	12,124,011
Pooled fixed income	528,911	-	-	-	-	528,911
Municipal bonds	333,600	72,795	-	-	-	406,395
Corporate bonds	-	79,747	231,754	26,207	634,936	972,644
Total	<u>\$ 14,229,890</u>	<u>\$ 152,542</u>	<u>\$ 231,754</u>	<u>\$ 26,207</u>	<u>\$ 634,936</u>	<u>\$ 15,275,329</u>

- d. Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, debentures, certificates of deposit and money funds.

The following Town investments are held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to custodial credit risk.

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
Equities	\$ 1,338,925	\$ 500,000	\$ 838,925
Municipal bonds	406,395	-	406,395
Corporate bonds	972,644	500,000	472,644
Total	<u>\$ 2,717,964</u>	<u>\$ 1,000,000</u>	<u>\$ 1,717,964</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Receivables

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the Town's government-wide financial statements with allowances for uncollectible accounts, including the applicable allowances for uncollectible accounts, are presented below.

	Property taxes			CDBG loans	Police outside services
	Taxes	Interest and lien fees	Total		
Current portion	<u>\$ 169,846</u>	<u>\$ 10,929</u>	<u>\$ 180,775</u>	<u>\$ -</u>	<u>\$ 79,581</u>
Long-term portion	55,379	17,928	73,307	190,704	-
Less allowance for uncollectibles	<u>(30,000)</u>	<u>(7,000)</u>	<u>(37,000)</u>	<u>(4,500)</u>	<u>(15,000)</u>
Net long-term portion	<u>\$ 25,379</u>	<u>\$ 10,928</u>	<u>\$ 36,307</u>	<u>\$ 186,204</u>	<u>\$ 64,581</u>

	Sewer usage			Sewer assessment	Total
	Use	Interest and lien fees	Total		
Current portion	<u>\$ 941,773</u>	<u>\$ 2,785</u>	<u>\$ 944,558</u>	<u>\$ 1,657</u>	<u>\$ 946,215</u>
Long-term portion	165,372	2,787	168,159	-	168,159
Less allowance for uncollectibles	<u>(21,000)</u>	<u>-</u>	<u>(21,000)</u>	<u>-</u>	<u>(21,000)</u>
Net long-term portion	<u>\$ 144,372</u>	<u>\$ 2,787</u>	<u>\$ 147,159</u>	<u>\$ -</u>	<u>\$ 147,159</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

B. Interfund accounts**1. Interfund payables and receivables**

A summary of interfund balances is as follows:

	<u>Corresponding Fund</u>	<u>Due From</u>	<u>Due to</u>
General fund:			
Sewer usage fund	N/A	\$ 480,906	\$ -
Bonded capital projects fund	N/A	-	10,529,559
Capital nonrecurring fund	N/A	688,163	-
Shellfish fund	N/A	630	-
Town aid road fund	N/A	-	490,034
Dog license fund	N/A	2,619	-
Youth service activity fund	N/A	-	5,068
Community development block grant fund	N/A	107,103	-
Planning and development grant fund	N/A	-	2,726,400
Recreation commission fund	N/A	123,584	-
Sewer development and maintenance fund	N/A	2,303	-
Human service grant fund	N/A	-	58,079
Prepaid education grants fund	N/A	197,823	-
Miscellaneous fund	N/A	-	415,295
Stonington harbor management fund	N/A	-	59,439
Mystic harbor management fund	N/A	-	63,140
Pre K-5 school construction fund	N/A	-	1,660,250
Town medical fund	N/A	-	213,923
Town dock fund	N/A	-	90,000
Total general fund		<u>1,603,131</u>	<u>16,311,187</u>
Sewer usage fund	General fund	<u>-</u>	<u>480,906</u>
Bonded capital projects	General fund	<u>10,529,559</u>	<u>-</u>
Capital nonrecurring fund	General fund	<u>-</u>	<u>688,163</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Interfund accounts (continued)

	<u>Corresponding Fund</u>	<u>Due From</u>	<u>Due to</u>
Other governmental funds:			
Special revenue funds:			
Shellfish fund	General fund	\$ -	\$ 630
Town aid road fund	General fund	490,034	-
Dog license fund	General fund	-	2,619
Youth service activity fund	Human services grant fund	5,634	-
Youth service activity fund	General fund	5,068	-
Youth service activity fund	Recreation commission fund	-	24,685
Community development block grant fund	General Fund	-	107,103
Planning and development grant fund	General Fund	2,726,400	-
Recreation commission fund	General fund	-	123,584
Recreation commission fund	Youth service activity fund	24,685	-
Sewer development and maintenance fund	General fund	-	2,303
Human services grant fund	General fund	58,079	-
Human services grant fund	Youth service activity fund	-	5,634
Prepaid education grants fund	General fund	-	197,823
Miscellaneous fund	General fund	415,295	-
Stonington harbor management fund	General fund	59,439	-
Mystic harbor management fund	General fund	63,140	-
Total special revenue funds		<u>3,847,774</u>	<u>464,381</u>
Capital projects funds:			
Pre K-5 school construction fund	General fund	<u>1,660,250</u>	<u>-</u>
Total other governmental funds		<u>5,508,024</u>	<u>464,381</u>
Internal service fund:			
Town medical fund	General fund	213,923	-
Town dock fund	General fund	<u>90,000</u>	<u>-</u>
Total internal service fund		<u>303,923</u>	<u>-</u>
Grand total		<u><u>\$ 17,944,637</u></u>	<u><u>\$ 17,944,637</u></u>

All interfund balances resulted from the time lag between the dates payments occurred between funds for interfund goods, payroll and services provided or in instances where certain funds do not have a cash account.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Interfund accounts (continued)**2. Interfund transfers**

A summary of interfund transfers for the fiscal year is as follows:

	<u>Corresponding Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General fund:			
Sewer usage fund	N/A	\$ -	\$ 250,000
Bonded capital projects fund	N/A	-	93,216
Capital nonrecurring fund	N/A	31,794	2,998,870
Miscellaneous fund	N/A	-	168,483
Total general fund		<u>31,794</u>	<u>3,510,569</u>
Sewer usage fund	Sewer development and maintenance fund	254,000	-
Sewer usage fund	General fund	<u>250,000</u>	<u>-</u>
Total sewer usage fund		<u>504,000</u>	<u>-</u>
Bonded capital projects fund	General fund	<u>93,216</u>	<u>-</u>
Capital nonrecurring fund	SNEFLA reserve fund	93,953	-
Capital nonrecurring fund	General fund	<u>2,998,870</u>	<u>31,794</u>
Total capital nonrecurring fund		<u>3,092,823</u>	<u>31,794</u>
Other governmental funds:			
SNEFLA reserve fund	Capital nonrecurring fund	-	93,953
Sewer development and maintenance fund	Sewer usage fund	-	254,000
Miscellaneous fund	General fund	<u>168,483</u>	<u>-</u>
Total other governmental funds		<u>168,483</u>	<u>347,953</u>
Total		<u><u>\$ 3,890,316</u></u>	<u><u>\$ 3,890,316</u></u>

Transfers are used to account for the financing by the general fund of various programs and activities in other funds as well as sewer assessment contributions to the general fund.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

D. Capital assets

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 12,709,836	\$ -	\$ -	\$ 12,709,836
Construction in progress	84,213,747	3,699,110	85,057,934	2,854,923
Total capital assets, not being depreciated	96,923,583	3,699,110	85,057,934	15,564,759
Capital assets, being depreciated:				
Land and building improvements	12,418,895	17,902,130	-	30,321,025
Buildings	66,497,368	64,707,277	-	131,204,645
Machinery and equipment	9,333,392	1,583,831	-	10,917,223
Infrastructure	93,614,925	1,648,941	-	95,263,866
Vehicles	4,761,799	384,738	-	5,146,537
Total capital assets, being depreciated	186,626,379	86,226,917	-	272,853,296
Total capital assets	283,549,962	89,926,027	85,057,934	288,418,055
Less accumulated depreciation for:				
Land and building improvements	5,680,099	423,547	-	6,103,646
Buildings	37,932,001	1,350,506	-	39,282,507
Machinery and equipment	7,362,819	464,316	-	7,827,135
Infrastructure	41,684,039	1,976,619	-	43,660,658
Vehicles	3,312,033	433,916	-	3,745,949
Total accumulated depreciation	95,970,991	4,648,904	-	100,619,895
Total capital assets, being depreciated, net	90,655,388	81,578,013	-	172,233,401
Capital assets, net	<u>\$187,578,971</u>	<u>\$ 85,277,123</u>	<u>\$85,057,934</u>	<u>\$187,798,160</u>

Depreciation expense was charged to functions/programs of the Town as follows:

General government	\$ 1,764,746
Public works	1,019,478
Public safety	355,641
Education	1,499,676
Human services	9,363
Total	<u>\$ 4,648,904</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

E. Construction commitments

The Town had no significant commitments at year end.

F. Changes in long-term liabilities**1. Summary of changes**

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2020	Additions	Deductions*	Balance June 30, 2021	Current Portion	Long-term Portion
Bonds:										
General purpose:										
Refunding bond	\$ 1,192,000	02/23/12	09/01/24	2.25%-4.0%	\$ 529,926	\$ -	\$ 108,000	\$ 421,926	\$ 107,000	\$ 314,926
Improvement bond	4,285,000	08/14/13	08/15/33	2.5%-4.25%	2,995,000	-	2,995,000	-	-	-
Road improvement bond	1,915,000	08/22/14	08/15/34	2.0%-4.0%	1,432,104	-	1,432,104	-	-	-
Mystic River Park	2,216,164	11/01/16	11/01/36	2.0%-5.0%	1,875,000	-	115,000	1,760,000	110,000	1,650,000
Refunding bond	3,607,000	05/19/21	06/30/35	3.0%-5.0%	-	3,607,000	-	3,607,000	-	3,607,000
Total general purpose	13,215,164				6,832,030	3,607,000	4,650,104	5,788,926	217,000	5,571,926
School:										
Refunding bond	16,128,000	02/23/12	09/01/26	2.0%-4.0%	7,595,074	-	1,487,000	6,108,074	1,383,000	4,725,074
Pre K-5 school project	15,003,836	11/01/16	11/01/36	2.0%-5.0%	12,750,000	-	750,000	12,000,000	750,000	11,250,000
Pre K-5 school project	20,000,000	11/01/17	11/01/38	2.5%-5.0%	18,000,000	-	1,000,000	17,000,000	1,000,000	16,000,000
Pre K-5 school project	7,000,000	10/18/18	10/15/38	3.5%-5.0%	6,650,000	-	350,000	6,300,000	350,000	5,950,000
Pre K-5 school project	5,200,000	10/17/19	10/15/39	2.0%-5.0%	5,200,000	-	260,000	4,940,000	260,000	4,680,000
Total school	63,331,836				50,195,074	-	3,847,000	46,348,074	3,743,000	42,605,074
Sewer:										
Improvement bond	6,325,000	08/22/14	08/15/34	2.0%-4.0%	4,732,896	-	4,732,896	-	-	-
Refunding bond	6,525,000	12/05/19	04/01/32	3.0%-5.0%	6,525,000	-	505,000	6,020,000	515,000	5,505,000
Improvement bond	10,000,000	07/23/20	08/01/40	1.6%-4.0%	-	10,000,000	-	10,000,000	500,000	9,500,000
Refunding bond	3,903,000	05/19/21	06/30/35	3.0%-5.0%	-	3,903,000	-	3,903,000	-	3,903,000
Total sewer	26,753,000				11,257,896	13,903,000	5,237,896	19,923,000	1,015,000	18,908,000
Total bonds	103,300,000				68,285,000	17,510,000	13,735,000	72,060,000	4,975,000	67,085,000
Notes - direct borrowings:										
Energy notes	54,064	06/16/17	06/16/21	0.00%	13,515	-	13,515	-	-	-
Lighting project note	32,467	11/15/18	11/15/22	3.50%	20,968	-	8,117	12,851	8,117	4,734
Lighting project note	565,674	06/30/21	06/30/26	0.00%	-	565,674	-	565,674	131,923	433,751
Equipment financing notes:										
Town vehicles	937,720	06/07/16	06/07/21	1.25%-2.50%	135,759	-	135,759	-	-	-
Computer equipment	160,550	10/30/17	10/30/21	3.65%	41,112	-	41,112	-	-	-
Town vehicles	727,497	12/06/17	12/06/21	1.40%	232,319	-	147,265	85,054	85,054	-
Tractor	42,632	11/02/18	11/02/22	4.50%	25,546	-	8,142	17,404	8,510	8,894
Town vehicles	104,436	01/10/19	01/10/21	3.99%	34,794	-	34,794	-	-	-
Dump truck	53,696	01/14/19	01/14/22	4.50%	32,177	-	10,261	21,916	10,719	11,197
IT servers computer equipment	323,989	06/21/19	06/30/22	3.93%	194,228	-	-	194,228	64,715	129,513
Computer equipment	199,750	08/25/19	08/25/22	0.00%	149,811	-	40,420	109,391	49,937	59,454
Total notes	3,202,475				880,229	565,674	439,385	1,006,518	358,975	647,543
Total bonds and notes	\$ 106,502,475				69,165,229	18,075,674	14,174,385	73,066,518	5,333,975	67,732,543
Premium					3,453,573	950,927	303,223	4,101,277	-	4,101,277
Total bonds, notes and related liabilities					72,618,802	19,026,601	14,477,608	77,167,795	5,333,975	71,833,820

* Includes \$8,530,000 of refunded bonds.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

F. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Current Portion	Long-term Portion
Compensated absences					\$ 2,637,652	\$ 843,480	\$ 705,676	\$ 2,775,456	\$ 693,864	\$ 2,081,592
Landfill postclosure costs					125,000	-	25,000	100,000	25,000	75,000
Heart and hypertension					183,055	-	40,327	142,728	-	142,728
Net pension liability					13,871,920	5,109,927	10,659,405	8,322,442	-	8,322,442
Net OPEB liability					3,096,482	390,623	818,073	2,669,032	-	2,669,032
Total long-term liabilities					<u>\$ 92,532,911</u>	<u>\$ 25,370,631</u>	<u>\$ 26,726,089</u>	<u>\$ 91,177,453</u>	<u>\$ 6,052,839</u>	<u>\$ 85,124,614</u>

All long-term liabilities are generally liquidated by the general fund.

The annual requirements to amortize bonds and notes payable are as follows:

Fiscal Year End June 30	Bonds			Notes		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 4,975,000	\$ 2,367,108	\$ 7,342,108	\$ 358,975	\$ 9,224	\$ 368,199
2023	5,365,000	2,217,855	7,582,855	355,211	3,347	358,558
2024	5,555,000	1,984,106	7,539,106	141,419	-	141,419
2025	5,328,926	1,759,156	7,088,082	141,418	-	141,418
2026	4,765,000	1,557,578	6,322,578	9,495	-	9,495
2027	4,306,074	1,379,250	5,685,324	-	-	-
2028	4,150,000	1,210,875	5,360,875	-	-	-
2029	4,160,000	1,050,575	5,210,575	-	-	-
2030	4,165,000	899,563	5,064,563	-	-	-
2031	4,160,000	766,669	4,926,669	-	-	-
2032	4,150,000	648,013	4,798,013	-	-	-
2033	3,590,000	529,438	4,119,438	-	-	-
2034	3,590,000	427,369	4,017,369	-	-	-
2035	3,380,000	329,013	3,709,013	-	-	-
2036	2,970,000	240,098	3,210,098	-	-	-
2037	2,970,000	156,503	3,126,503	-	-	-
2038	2,110,000	85,115	2,195,115	-	-	-
2039	1,110,000	40,748	1,150,748	-	-	-
2040	760,000	17,938	777,938	-	-	-
2041	500,000	5,000	505,000	-	-	-
Totals	<u>\$ 72,060,000</u>	<u>\$ 17,671,970</u>	<u>\$ 89,731,967</u>	<u>\$ 1,006,518</u>	<u>\$ 12,571</u>	<u>\$ 1,019,089</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

F. Changes in long-term liabilities (continued)**2. Assets pledged as collateral**

The Town's outstanding equipment financing notes of \$1,006,518 are secured with collateral of the equipment purchased.

3. Statutory debt limitations

The Town's indebtedness does not exceed the legal debt limitations as required by Connecticut General Statutes as reflected in the following schedule:

<u>Category</u>	<u>Debt Limitation</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 160,977,553	\$ 7,277,145	\$ 153,700,408
Schools	321,955,106	46,348,074	275,607,032
Sewers	268,295,921	19,923,000	248,372,921
Urban renewal	232,523,132	-	232,523,132
Pension deficit	214,636,737	-	214,636,737

The total overall statutory debt limit for the Town is equal to seven times prior year annual receipts from taxation, \$500,819,053.

4. Authorized/unissued bonds

The amount of authorized unissued bonds for improvements to the Town's school building renovations is \$5,771,252.

5. Current year advance refunding

In May 2021, the Town issued \$7,510,000 general obligation refunding bonds with interest rates of 3.00%-5.00%. These refunding bonds were issued to decrease bonds issued in 2013 and 2014. The refunding resulted in an economic gain of \$915,656 and a total savings of \$917,643.

6. Heart and hypertension

Under Connecticut General Statutes, the Town is obligated to pay for certain former public safety employees' job related medical costs for the remainder of the employee's life. The liability represents an actuarially based estimate of future costs.

7. Landfill closure and post closure care costs

The Town closed its landfill in 1995. State and Federal laws and regulations require landfill closures to meet certain standards. Monitoring costs and estimated repairs and maintenance for the next 4 years at \$25,000 per year are \$100,000. These amounts are based on estimates which are subject to change due to inflation, technology or applicable laws and regulations.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

G. Fund balances and restricted net position

Fund balances are composed of the following:

Fund Balance Component	General Fund	Sewer Usage Fund	Bonded Capital Projects Fund	Capital Nonrecurring Fund	Other Governmental Funds	Total
<u>Restricted:</u>						
Public safety programs	\$ -	\$ -	\$ -	\$ -	\$ 21,737	\$ 21,737
Roads	-	-	-	-	490,034	490,034
Sanitation and waste removal *	-	455,234	-	-	1,796,037	2,251,271
Human services programs	-	-	-	-	18,473	18,473
Housing rehabilitation programs	-	-	-	-	222,309	222,309
Cafeteria operations *	-	-	-	-	91,371	91,371
Total restricted	-	455,234	-	-	2,639,961	3,095,195
<u>Committed:</u>						
General government programs	-	-	-	-	2,615,463	2,615,463
Sanitation and waste removal	-	-	-	-	31,603	31,603
Human services	-	-	-	-	226,266	226,266
Recreation	-	-	-	-	289,209	289,209
Education	-	-	-	-	726,439	726,439
School construction	-	-	10,527,399	5,484,310	516,481	16,528,190
Total committed	-	-	10,527,399	5,484,310	4,405,461	20,417,170
<u>Assigned:</u>						
General government programs	218,231	-	-	-	1,348,567	1,566,798
Public safety programs	-	-	-	-	20,357	20,357
Recreation programs	-	-	-	-	122,879	122,879
Education programs	1,017,540	-	-	-	-	1,017,540
Total assigned	1,235,771	-	-	-	1,491,803	2,727,574
Unassigned	17,128,373	-	-	-	-	17,128,373
Total	<u>\$ 18,364,144</u>	<u>\$ 455,234</u>	<u>\$ 10,527,399</u>	<u>\$ 5,484,310</u>	<u>\$ 8,537,225</u>	<u>\$ 43,368,312</u>

General Fund encumbrances totaled \$1,230,755.

* The amount of restricted net position which was restricted by enabling legislation totaled \$2,342,642.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

IV. Other information**A. Risk management**

The Town is exposed to various risks of loss related to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town established an internal service fund to account for and finance the retained risk of loss for Town employees medical benefits. A third party administers the plan for which the fund pays a fee. The self-insurance fund provides coverage for all eligible Town employees. The Town has purchased a stop loss policy for total claims in any one year exceeding an aggregate of 120% of expected claims and for individual claims exceeding \$100,000 for hospital and major medical.

Only the Town participates in this health insurance program and payments to the fund are based upon estimates by number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liability reported in the fund is based upon the provisions of GASB Statements No. 10 and 30 which require that a liability for estimated claims incurred but not reported be recorded.

The Town has also established an internal service fund to account for the general liability and property damage claims for the Town Dock.

The internal service fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported.

Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards the process used to compute claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims including the effects of specific incremental claim adjustment expenditures, salvage and subrogation; allocated claim adjustment expenditures are not included.

	Claims Payable July 1	Current year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
<u>Medical Insurance</u>				
2019-2020	\$ 444,000	\$ 4,603,222	\$ 4,704,222	\$ 343,000
2020-2021	343,000	5,298,454	5,259,454	382,000

The Town is currently a member in Connecticut Interlocal Risk Management Agency ("CIRMA") an unincorporated association of Connecticut local public agencies which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-47-a et. seq. of the Connecticut General Statutes.

Town of Stonington, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2021****A. Risk management (continued)**

The Town is a member of CIRMA's Liability-Automobile-Property Pool a risk sharing pool. The Town paid CIRMA for provisions of general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

The Town purchases commercial insurance for all other risks of loss including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three years and there have not been any significant reductions in insurance coverage from amounts held in prior years.

B. Commitments and litigation

Amounts received or receivable from Federal and State grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims including amounts already collected may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts if any to be immaterial.

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. The resolution of these matters is not expected to have a material adverse effect on the financial condition of the Town.

C. Contingencies*Coronavirus*

In March 2020, the United States declared the outbreak of Coronavirus a national emergency. Similarly, the Governor of the State of Connecticut declared a state of emergency. Although the national shut down has ended, the Coronavirus continues to have an impact on the economy including effects on the Town's economically sensitive revenues such as park and recreation program fees, interest earnings and certain other charges for services. This has been offset to varying degrees by increases in building permit fees and conveyance taxes. In addition, the supply chain has been disrupted and prices have increased for various types of items, including construction costs. The pandemic has also resulted in labor shortages.

In response to the pandemic and the economic impact on local governments, the federal government has provided the following funding beginning in April 2020 and April 2021. The Town was awarded grants from the federal government for the costs and impact of the pandemic as follows:

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Contingencies (continued)

Coronavirus Relief Fund ("CRF")	\$ 336,606
American Rescue Plan Act ("ARPA")	2,615,463
Elementary and Secondary School Emergency Relief Fund ("ESSER")	<u>1,523,761</u>
Total	<u><u>\$ 4,475,830</u></u>

The second payment of the ARPA grant of \$2,615,463 is to be received in fiscal year 2022.

The Town is continuously monitoring its financial condition and will take proactive measures as necessary to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the complete impact on the Town's future financial position at this time.

V. Pensions and other post-employment benefit ("OPEB") plans**A. Town pension plans****1. Plan description****a. Plan administration**

The Town contributes to two single employer defined benefit Public Employee Retirement Systems ("PERS"), the Town of Stonington Noncontributory Pension Program and the Town of Stonington Contributory Pension Program. The plans are administered by a Selectmen appointed five-member retirement board. The responsibility for the holding and investment of plan assets lies with the trustee appointed by the Selectmen. The PERS is considered part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund. All full time employees including the First Selectman, Town Clerk and Tax Collector, but excluding police officers, teachers and other elected officials are eligible to participate. The PERS is closed to employees hired after September 15, 2013. These plans do not issue separate stand-alone financial reports.

b. Plan membership

At July 1, 2020, PERS membership is comprised of the following:

Active members	117
Terminated employees entitled to benefits	46
Retirees, disabled employees, and beneficiaries receiving benefits	<u>161</u>
Total	<u><u>324</u></u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)**2. Benefit provisions**

	Noncontributory	Contributory
Normal retirement	Normal retirement is the earlier of the member having reached his 62 nd birthday or having completed 35 years of credited service. The plan also provides for an actuarially reduced earlier retirement date death and disability benefits	Normal retirement is the earlier of the member having reached his 62 nd birthday or having completed 35 years of credited service. The plan also provides for an actuarially reduced earlier retirement date death and disability benefits
Benefit calculation	A member who retires on his normal retirement date shall receive an annual retirement benefit equal to 1.50% of such member's final average earnings multiplied by such member's years of credited service. Final average earnings are determined by the member's 60 highest consecutive calendar months before retirement or termination if earlier	A member who retires on his normal retirement date shall receive an annual retirement benefit equal to 1.75% of such member's final average earnings multiplied by such member's years of credited service
Vesting service	50% vested after 10 years of service, fully vested after 15 years of service	50% vested after 5 years of service, fully vested after 10 years of service

3. Contributions

	Noncontributory	Contributory
Contributions	Participants are not required to contribute	Participants are required to contribute 3.00% of their annual salary

The Town's contributions are based upon the actuarially determined amount.

4. Investments**a. Investment policy**

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Town of Stonington Pension Board by a majority vote of its members. It is the policy of the Town of Stonington Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Pension Board periodically reviews the asset allocation and strategic objectives in light of market conditions, benefit payments expenses and expected contributions from the Town.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)

The Pension Board adopted an asset allocation policy which is a blend of higher risk, lower risk and liquid assets. These blends translate into the following allocation:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core plus fixed income	31.50%	1.45%
Global fixed income	3.50%	1.65%
Large cap	30.00%	4.75%
Small cap	7.50%	5.15%
Developed international equities	20.00%	5.45%
Emerging international equities	7.50%	6.25%
 Total	 <u>100.00%</u>	
 Long-term inflation expectation		 2.40%
Long-term expected nominal return		6.30%

b. Concentrations

There were no investments in any one organization that represented 5.00% or more of the pension plan's net position.

c. Rate of return

Best estimates of geometric nominal rates of return for each major asset class included in the pension plan's target asset allocation (see the discussion of the pension plan's investment policy) are summarized in the preceding table.

d. Annual money-weighted rate of return

The annual money-weighted rate of return on pension plan investments net of pension plan investment expense was 26.91%. The money-weighted rate of return expresses investment performance net of investment expense adjusted for the changing amounts actually invested.

5. Net pension asset

The Town's net pension asset is \$1,635,183. The components of the net pension asset were as follows:

Total pension liability	\$ 40,873,765
Plan fiduciary net position	<u>42,508,948</u>
Net pension asset	<u>\$ (1,635,183)</u>
 Plan fiduciary net position as a percentage of the total pension liability	 <u>104.00%</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)**6. Actuarial methods and significant assumptions**

The net pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2020
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Investment rate of return	6.375%
Inflation	2.40%
Salary increases	Graded from 6.25% to 2.75%
Cost of living adjustments	None
Mortality rates	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2020

7. Changes from prior year**a. Changes in assumptions**

- The investment rate of return reduced from 6.50% to 6.375%.
- The inflation rate reduced from 2.60% to 2.40%.
- Mortality was updated to Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables projected to the valuation date with Scale MP-2020 from RP-2014 Total Dataset Mortality Tables, projected to valuation date with Scale MP-2019.

b. Changes in benefit terms

There were no changes in benefit terms.

8. Discount rate

The discount rate used to measure the total pension liability was 6.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on the plan's current net pension liability (asset) and current contribution policy the pension plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)**9. Changes in net pension liability (asset)**

The Town's net pension liability (asset) was measured at June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of July 1, 2020. The changes in net pension liability (asset) were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at July 1, 2020	\$40,301,965	\$ 34,188,229	\$ 6,113,736
Service cost	624,334	-	624,334
Interest	2,597,102	-	2,597,102
Differences between expected and actual experience	(516,973)	-	(516,973)
Changes in assumptions	(159,814)	-	(159,814)
Contributions - employer	-	952,427	(952,427)
Contributions - member	-	179,431	(179,431)
Net investment income	-	9,214,203	(9,214,203)
Benefit payments, including refunds of member contributions	(1,972,849)	(1,972,849)	-
Administrative expenses	-	(52,493)	52,493
Net change	571,800	8,320,719	(7,748,919)
Balance at June 30, 2021	\$40,873,765	\$ 42,508,948	\$ (1,635,183)

10. Sensitivity of the net pension liability (asset) to changes in the discount rate

The following presents the net pension liability (asset) calculated using the discount rate as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate of 6.375%:

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability (asset)	\$ 2,888,128	\$ (1,635,183)	\$ (5,513,457)

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)**11. Pension expense and deferred outflows and inflows of resources**

The Town recognized pension expense of \$(709,301).

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ -	\$ 474,519	\$ (474,519)
Changes in assumptions	77,207	90,330	(13,123)
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>4,174,724</u>	<u>(4,174,724)</u>
Total	<u>\$ 77,207</u>	<u>\$ 4,739,573</u>	<u>\$ (4,662,366)</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive employees, which was 2.5 years.

The amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2022	\$ (1,302,172)
2023	(971,200)
2024	(984,885)
2025	<u>(1,404,109)</u>
Total	<u>\$ (4,662,366)</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

B. Connecticut municipal employees' retirement system**1. Plan description**

The Connecticut Municipal Employees' Retirement System ("MERS") is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. MERS is a cost-sharing defined benefit pension plan administered by the Connecticut State Retirement Commission.

Municipalities may designate which departments (including elective officers if so specified) are to be covered under the Connecticut Municipal Employees' Retirement System ("MERS"). This designation may be the result of collective bargaining. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full-time employees of participating departments except Police and Fire hired after age 60.

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Policemen and firemen with social security
- Policemen and firemen without social security

2. Benefit provisions

Normal retirement	
General Employees	Age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service
Police and Firemen	Compulsory retirement age is age 65
Benefit calculation	The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.
With social security	1.50% of the average final compensation not in excess of the year's breakpoint plus 2.00% of average final compensation in excess of the year's breakpoint, times years of service. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.
Without social security	2.00% of average final compensation, times years of service
Final average compensation	Average of the three highest paid years of service

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

B. Connecticut municipal employees' retirement system (continued)

Early retirement	5 years of continuous service or 15 years of active aggregate service
Early retirement amount	Calculated on the basis of average final compensation and service to date of termination. Deferral to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.
Service connected disability amount	Calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability
Non-service connected disability service requirement	10 years of service
Non-service connected disability service amount	Calculated based on compensation and service to the date of the disability
Pre-retirement death benefit amount	Lump-sum return of contributions with interest if vested and married, the surviving spouse will receive a lifetime benefit
Cost of living increases	2.50% - 6.00% depending on retirement date and increase in CPI

3. ContributionsEmployer

Participating municipalities make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions.

Employees

For employees not covered by social security, each person is required to contribute 6.00% of compensation.

For employees covered by social security, each person is required to contribute 3.25% of compensation up to the social security taxable wage base plus 6.00% of compensation, if any, in excess of such base.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

B. Connecticut municipal employees' retirement system (continued)**4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

The Town reported \$8,322,442 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Town's proportionate share of the net pension liability was based upon the Town's 2020 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date. The Town's proportional share was 2.451724% for the Police Officers and Firefighters without social security sub plan. The Town's proportional share increased 0.064859% from the prior year.

Subsequent to the measurement date, there were no changes in benefit terms or any expected changes that will have an impact on the measurement of the net pension liability.

For the fiscal year, the Town recognized pension expense of \$2,013,093. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows and Inflows
Net difference between projected and actual earnings on pension plan investments	\$ 775,797	\$ -	\$ 775,797
Change in assumptions	1,158,361	-	1,158,361
Change in proportional share	107,826	128,578	(20,752)
Differences between expected and actual experience	479,789	573,490	(93,701)
Town contributions subsequent to measurement date	<u>861,034</u>	<u>-</u>	<u>861,034</u>
Total	<u>\$ 3,382,807</u>	<u>\$ 702,068</u>	2,680,739
Contributions subsequent to the measurement date to be recognized as a reduction of the net pension liability in the subsequent year			<u>(861,034)</u>
Net amortized amount of deferred inflows and outflows			<u>\$ 1,819,705</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

B. Connecticut municipal employees' retirement system (continued)

Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2022	\$ 668,433
2023	789,501
2024	252,010
2025	<u>109,761</u>
Total	<u>\$ 1,819,705</u>

5. Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.00%
Inflation	2.50%
Salary increases	3.50-10.00%, including inflation
Cost of living adjustments	Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6.00%. The minimum annual COLA is 2.50%, the maximum is 6.00%
Mortality rates	Mortality rates were based on RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees and the RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected 2022 with Scale BB for Police and Fire. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

B. Connecticut municipal employees' retirement system (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Target Expected Real Rate of Return</u>
Domestic equity	20.00%	5.30%
Developed market international	11.00%	5.10%
Emerging market international	9.00%	7.40%
Core fixed income	16.00%	1.60%
Inflation linked bond	5.00%	1.30%
Emerging market debt	5.00%	2.90%
High yield bond	6.00%	3.40%
Real estate	10.00%	4.70%
Private equity	10.00%	7.30%
Alternative investments	7.00%	3.20%
Liquidity fund	1.00%	0.90%
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. Sensitivity of the net pension liability to changes in the discount rate

The following presents the Town's proportional share of the net pension liability of MERS, calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate at 7.00%:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Town's proportional share of the net pension liability	<u>\$12,099,159</u>	<u>\$ 8,322,442</u>	<u>\$ 5,186,642</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

B. Connecticut municipal employees' retirement system (continued)**8. Plan fiduciary net position**

Detailed information about the MERS plan's fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

C. Connecticut state teachers' retirement system**1. Plan description**

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System ("TRS"), a cost sharing multiple-employer defined benefit pension plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov/trb.

2. Benefit provisions

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Connecticut state teachers' retirement system (continued)

Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. Contributions**State of Connecticut**

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employer (school districts)

School district employers are not required to make contributions to the plan.

Employees

Each teacher is required to contribute 7.00% of their salary for the pension benefit.

4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

The Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>74,186,503</u>
Total	<u><u>\$ 74,186,503</u></u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Connecticut state teachers' retirement system (continued)

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Town has no proportionate share of the net pension liability.

During the year, the Town recognized pension expense and revenue of \$4,758,442 for on-behalf amounts for contributions to the plan by the State.

5. Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The salary increases assumption was decreased from 3.25% to 3.00%.
- The mortality tables were changed from the RPH-2014 White Collar Table, projected to the year 2020 using the BB improvement scale to the PubT-2010 Table, projected generationally with MP-2019.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Connecticut state teachers' retirement system (continued)**Long-term expected rate of return**

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of geometric rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity fund	20.00%	5.60%
Developed market international stock fund	11.00%	6.00%
Emerging market international stock fund	9.00%	7.90%
Core fixed income fund	16.00%	2.10%
Inflation linked bond fund	5.00%	1.10%
Emerging market debt fund	5.00%	2.70%
High yield bond fund	6.00%	4.00%
Real estate fund	10.00%	4.50%
Private equity	10.00%	7.30%
Alternative investments	7.00%	2.90%
Liquidity fund	1.00%	0.40%
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Connecticut state teachers' retirement system (continued)**7. Sensitivity of the net pension liability to changes in the discount rate**

The Town's proportionate share of the net pension liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

D. Total pension plans

	Net Pension Asset	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERS	\$ 1,635,183	\$ -	\$ 77,207	\$ 4,739,573	\$ (709,301)
MERS	-	8,322,442	3,382,807	702,068	2,013,093
Total	<u>\$ 1,635,183</u>	<u>\$ 8,322,442</u>	<u>\$ 3,460,014</u>	<u>\$ 5,441,641</u>	<u>\$ 1,303,792</u>

E. Other post-employment benefit plan**1. Plan description****a. Plan administration**

The Town administers a single employer defined benefit plan that is used to provide postemployment benefits other than pensions ("OPEB") for certain full-time employees. Management of the plan is vested in the Board of Finance. The plan does not issue stand-alone financial reports.

b. Plan membership

As of July 1, 2019, the following employees are covered by the benefit terms:

Active members	393
Retirees, disabled employees, and beneficiaries receiving benefits	<u>38</u>
Total	<u>431</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

E. Other post-employment benefit plan (continued)**2. Benefit provisions**

The Town plan provides for medical and dental benefits for all eligible retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations. Benefits are provided by a third-party insurer and the full cost of benefits is covered by the plan.

3. Contributions

The Town's contributions are actuarially determined on an annual basis using the entry age normal method. The Town's total contribution to the plan was \$241,770. There are no required employee contributions. Retired employees are required to contribute 100% of the premium.

4. Investments**a. Investment policy**

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Town's Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy for the OPEB plan:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity market	39.05%	5.75%
Global equity	0.90%	5.80%
U.S. core fixed income	51.10%	1.75%
U.S. government bonds	2.45%	2.25%
Cash	6.50%	0.50%
Total	<u>100.00%</u>	

b. Concentrations

There were no investments in any one organization that represents 5.00% or more of the OPEB plan's net position.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

E. Other post-employment benefit plan (continued)**c. Rate of return**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric means real rates of return for each major asset class included in the OPEB plan's target asset allocation are summarized in the preceding table.

d. Annual money-weighted rate of return

The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 14.10%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Net OPEB liability

The Town's net OPEB liability of \$2,669,032 was measured as of June 30, 2021, and was determined by an actuarial valuation as July 1, 2019.

Total OPEB liability	\$ 4,974,784
Plan fiduciary net position	<u>2,305,752</u>
Net OPEB liability	<u><u>\$ 2,669,032</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>46.35%</u></u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

E. Other post-employment benefit plan (continued)**6. Actuarial methods and significant assumptions**

The net OPEB liability was determined based upon the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2019
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Discount rate	6.25%
Salary increases	2.60%
Inflation	2.60%
Healthcare cost trend rates:	
Initial medical trend rate	6.50%
Ultimate medical trend rate	4.60%
Mortality rates	RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2019

7. Changes from prior year**a. Changes in assumptions**

There were no changes in assumptions.

b. Changes in benefit terms

There were no changes in benefit terms.

8. Discount rate

The discount rate used to measure the total OPEB liability was 6.25% for the OPEB plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

E. Other post-employment benefit plan (continued)**9. Changes in the net OPEB liability**

The Town's OPEB liability was measured at June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2020	\$ 4,915,239	\$ 1,818,757	\$ 3,096,482
Service cost	74,541	-	74,541
Interest	309,907	-	309,907
Differences between expected and actual experience	(261,405)	-	(261,405)
Contributions - employer	-	241,770	(241,770)
Contributions - subsidy	-	57,719	(57,719)
Net investment income	-	257,179	(257,179)
Benefit payments, including refunds of member contributions	(63,498)	(63,498)	-
Administrative expenses	-	(6,175)	6,175
Net change	59,545	486,995	(427,450)
Balance at June 30, 2021	<u>\$ 4,974,784</u>	<u>\$ 2,305,752</u>	<u>\$ 2,669,032</u>

10. Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate at 6.25%:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	<u>\$ 3,146,218</u>	<u>\$ 2,669,032</u>	<u>\$ 2,252,883</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

E. Other post-employment benefit plan (continued)**11. Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate**

The following presents the net OPEB liability as well as what the net OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates of 6.50% decreasing to 4.60%:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	<u>\$ 2,138,992</u>	<u>\$ 2,669,032</u>	<u>\$ 3,288,883</u>

12. OPEB expense and deferred outflows of resources related to OPEB

For the fiscal year the Town recognized OPEB expense of \$30,016. The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 88,008	\$ 1,830,208	\$ (1,742,200)
Changes in assumptions	216,235	-	216,235
Net difference between projected and actual earnings on OPEB plan investments	<u>-</u>	<u>63,290</u>	<u>(63,290)</u>
Total	<u>\$ 304,243</u>	<u>\$ 1,893,498</u>	<u>\$ (1,589,255)</u>

Changes in assumptions and differences between expected and actual experience are amortized over 20 years. Actual investment earnings below (or above) projected earnings are amortized over 5 years.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

E. Other post-employment benefit plan (continued)

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2022	\$ (179,500)
2023	(187,239)
2024	(189,802)
2025	(200,797)
2026	(173,512)
Thereafter	<u>(658,405)</u>
Total	<u>\$ (1,589,255)</u>

F. Retiree health care defined contribution plan

The Town has a defined contribution healthcare plan covering police officers that was established in July 2017. The plan provides for retiree health care benefits through reimbursement of eligible medical care expenses including the reimbursement of retiree healthcare premiums upon retirement from the Town. Participation in the plan is mandatory for all eligible police officers. The employee contribution is 2.00% of base pay with an equivalent Town match. Upon normal retirement the participant's account balance shall be a minimum of \$32,000. If the account balance is less than \$32,000 the Town shall make contributions necessary to bring the account balance to \$32,000. Total Town and employee contributions for the year were \$61,212 and \$61,212 respectively.

G. Connecticut state teachers' retirement board retiree health insurance plan**1. Plan description**

Teachers, principals, superintendents or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers' Retirement System are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan ("TRS-RHIP") - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a Section 10-183t of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

G. Connecticut state teachers' retirement board retiree health insurance plan (continued)**2. Benefit provisions**

The Plan provides for retiree health insurance benefits. Eligibility is as follows:

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service

Retiree health care coverage

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefits. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost.

The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

G. Connecticut state teachers' retirement board retiree health insurance plan (continued)

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Those participants electing vision, hearing, and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the Plan for these benefits.

Survivor health care coverage

Survivors of former employees or retirees remain eligible to participate in the Plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental Plans, as long as they do not remarry.

3. Contributions**State of Connecticut**

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Employer (school districts)

School district employers are not required to make contributions to the plan.

Employees

Each member is required to contribute 1.25% of their annual salary.

4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

The Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

G. Connecticut state teachers' retirement board retiree health insurance plan (continued)

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>11,064,920</u>
Total	<u><u>\$ 11,064,920</u></u>

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$114,838 for on-behalf amounts for contributions to the plan by the State.

5. Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.00%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2021

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The Medicare health care cost trend rate changed from 5.00% decreasing to 4.75% by 2028 to 5.125% decreasing to 4.50% by 2023.
- The salary increases assumption was decreased from 3.25% to 3.00%.
- The mortality tables were changed from the RPH-2014 White Collar Table, projected to the year 2020 using the BB improvement scale to the PubT-2010 Table, projected generationally with MP-2019.
- The discount rate was decreased from 3.50% to 2.21% to reflect the change in the Municipal Bond Index rate.

Town of Stonington, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2021****G. Connecticut state teachers' retirement board retiree health insurance plan (continued)**

Additionally, expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019. Further, the expected rate of inflation was decreased and the real wage growth assumption was increased.

Long-term expected rate of return

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.00%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2020.

6. Discount rate

The discount rate used to measure the total OPEB liability was 2.21%. The Municipal Bond Index Rate was used in the determination in the discount rate. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that annual State contributions will equal the most recent 5-year average of state contributions.

7. Sensitivity of the OPEB liability to changes in the discount rate and the health care cost trend rate

The Town's proportionate share of the net OPEB liability is \$0 and, therefore, the change in the discount rate or the health care cost trend rate would only impact the amount recorded by the State of Connecticut.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

H. Pension and other post-employment benefit plan statements

Pension and OPEB Trust Funds Combining Statement of Fiduciary Net Position June 30, 2021

	Pension Trust Fund	Town OPEB Trust Fund	Police OPEB Defined Contribution Trust Fund	Total Pension and OPEB Trust Funds
<u>Assets</u>				
Cash	\$ -	\$ 44,297	\$ 58,057	\$ 102,354
Contributions receivable	2	125,991	-	125,993
Investments:				
Mutual funds:				
Money market	199,481	-	-	199,481
Fixed income	-	642,933	400,954	1,043,887
Bond	12,124,011	-	-	12,124,011
Equity	30,185,454	386,339	561,484	31,133,277
Equities	-	482,254	856,671	1,338,925
Municipal bonds	-	144,986	261,409	406,395
Corporate bonds	-	478,952	493,692	972,644
Total investments	42,508,946	2,135,464	2,574,210	47,218,620
Total assets	42,508,948	2,305,752	2,632,267	47,446,967
<u>Net Position</u>				
Restricted for:				
Pension benefits	42,508,948	-	-	42,508,948
OPEB benefits	-	2,305,752	2,632,267	4,938,019
Total net position	\$ 42,508,948	\$ 2,305,752	\$ 2,632,267	\$ 47,446,967

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

H. Pension and other post-employment benefit plan statements (continued)

Pension and OPEB Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

	Pension Trust Fund	Town OPEB Trust Fund	Police OPEB Defined Contribution Trust Fund	Total Pension and OPEB Trust Funds
Additions:				
Contributions:				
Employer	\$ 952,427	\$ 241,770	\$ 61,212	\$ 1,255,409
TRB subsidy	-	57,719	-	57,719
Employee	179,431	-	61,212	240,643
Total contributions	1,131,858	299,489	122,424	1,553,771
Investment income (loss):				
Net change in fair value of investments	8,622,866	230,699	362,762	9,216,327
Interest and dividends	623,584	44,215	53,237	721,036
Total investment income (loss)	9,246,450	274,914	415,999	9,937,363
Less investment expense	32,247	17,735	-	49,982
Net investment income (loss)	9,214,203	257,179	415,999	9,887,381
Total additions	10,346,061	556,668	538,423	11,441,152
Deductions:				
Benefits	1,972,849	63,498	28,868	2,065,215
Administration	52,493	6,175	41,073	99,741
Total deductions	2,025,342	69,673	69,941	2,164,956
Change in net position	8,320,719	486,995	468,482	9,276,196
Net position - July 1, 2020	34,188,229	1,818,757	2,163,785	38,170,771
Net position - June 30, 2021	\$ 42,508,948	\$ 2,305,752	\$ 2,632,267	\$ 47,446,967

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

VI. Prior period adjustments and fund reclassifications

The government-wide and fiduciary funds net position and special revenue fund balance were restated as a result of the implementation of GASB No. 84 as follows:

	Governmental Activities	Other Governmental Funds	Custodial Funds	Private- Purpose Trust Funds
Net position fund balance as previously reported at June 30, 2020	\$ 133,673,008	\$ 4,403,496	\$ 468,133	\$ 241,742
Reclassification of custodial fund to proper fund type	468,133	468,133	(468,133)	-
Reclassification of private-purpose trust fund to proper fund type	241,742	241,742	-	(241,742)
Reclassification of pre K-5 school construction fund from major fund to nonmajor fund	-	1,940,018	-	-
Reclassification of bonded capital project fund from nonmajor fund to major fund	-	49,926	-	-
Net position fund balance as restated at July 1, 2020	<u>\$ 134,382,883</u>	<u>\$ 7,103,315</u>	<u>\$ -</u>	<u>\$ -</u>

Required Supplementary Information

Type	Description
Budgetary	Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund
	Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund
	Notes to Required Supplementary Information - Budgets and Budgetary Accounting
<u>Pension Plans</u>	
Employees	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns
Municipal Employees' Retirement System	
State Teachers' Retirement System	Schedule of Proportionate Share of the Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<u>Other Post-Employment Benefits Plans</u>	
OPEB	Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Investment Returns
State Teacher's Retirement Board Retiree	
Health Insurance Plan	Schedule of Proportionate Share of the Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

Town of Stonington, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources -
Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Current levy	\$ 65,073,237	\$ -	\$ 65,073,237	\$ 65,554,256	\$ 481,019
Prior year taxes	300,000	-	300,000	366,052	66,052
Motor vehicle supplement	440,000	-	440,000	425,022	(14,978)
Interest and lien fees	200,000	-	200,000	300,284	100,284
Telephone access line	45,000	-	45,000	47,522	2,522
Total property taxes	66,058,237	-	66,058,237	66,693,136	634,899
Intergovernmental:					
State grants for education:					
Education cost sharing grant	1,073,011	-	1,073,011	1,051,626	(21,385)
Special education	-	-	-	7,507	7,507
Nonpublic health services	7,900	-	7,900	7,593	(307)
Total State grants for education	1,080,911	-	1,080,911	1,066,726	(14,185)
State grants for reimbursement on revenue loss:					
Reimbursement disabled	-	-	-	1,632	1,632
Veterans' exemption	-	-	-	15,260	15,260
Municipal revenue sharing	-	100,332	100,332	100,332	-
Municipal stabilization grant	218,992	-	218,992	218,992	-
Grant proceeds - State	-	-	-	18,935	18,935
Grant proceeds - Federal	100,332	(100,332)	-	948	948
Mashantucket Pequot grant	30,000	-	30,000	30,000	-
Total state grants for reimbursement on revenue loss	349,324	-	349,324	386,099	36,775
State grants for other purposes:					
Parking ticket surcharge	10,000	-	10,000	3,320	(6,680)
Youth services	13,000	-	13,000	18,150	5,150
Civil preparedness	9,323	-	9,323	9,324	1
Total state grants for other purposes	32,323	-	32,323	30,794	(1,529)
Total intergovernmental	1,462,558	-	1,462,558	1,483,619	21,061
Charges for services:					
Town hall bags	-	-	-	611,631	611,631
Solid waste disposal fees	1,640,000	-	1,640,000	1,097,800	(542,200)
Landfill recycling	37,500	-	37,500	47,544	10,044
Tipping fees	194,000	-	194,000	182,863	(11,137)
Building rental/miscellaneous	-	-	-	3,601	3,601
Tuition other Town	25,000	-	25,000	49,491	24,491
Miscellaneous revenue	15,000	-	15,000	53,682	38,682
Accident reports	15,000	-	15,000	1,765	(13,235)
Data processing revenue	25,000	-	25,000	25,378	378
In lieu of taxes housing authority	4,000	-	4,000	4,264	264
Payment in lieu of taxes	260,000	-	260,000	265,034	5,034
GIS revenues	500	-	500	178	(322)
Animal control facility	1,500	-	1,500	1,200	(300)
Utility billing revenue offset	12,000	-	12,000	12,000	-
Vehicle use outside jobs	100,000	-	100,000	98,631	(1,369)
Admin / miscellaneous fees	20,000	-	20,000	15,821	(4,179)
Total charges for services	2,349,500	-	2,349,500	2,470,883	121,383

(Continued)

Town of Stonington, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources -
Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Licenses and permits:					
Building permits	\$ 330,000	\$ -	\$ 330,000	\$ 402,199	\$ 72,199
Conveyance taxes	400,000	-	400,000	654,156	254,156
Town clerk's fees	180,000	-	180,000	281,356	101,356
Alarm registration	5,500	-	5,500	4,741	(759)
Wetlands permits	3,000	-	3,000	6,572	3,572
P & Z and zoning board fees	75,000	-	75,000	85,173	10,173
Total licenses and permits	993,500	-	993,500	1,434,197	440,697
Fines and forfeits:					
Parking fines	5,000	-	5,000	3,770	(1,230)
Alarm penalties	2,000	-	2,000	1,850	(150)
Total fines and forfeits	7,000	-	7,000	5,620	(1,380)
Total charges for services	3,350,000	-	3,350,000	3,910,700	560,700
Use of money and property:					
Interest income	200,000	-	200,000	34,711	(165,289)
Rental	55,000	-	55,000	62,189	7,189
Loan repayment SNEFLA	12,500	-	12,500	12,500	-
Total use of money and property	267,500	-	267,500	109,400	(158,100)
Total revenues	71,138,295	-	71,138,295	72,196,855	1,058,560
Other financing sources:					
Appropriation of fund balance	400,000	40,000	440,000	-	(440,000)
Cancellation of prior year encumbrances	10,000	-	10,000	17,863	7,863
Transfers in - sewer assessment fund	-	31,794	31,794	31,794	-
Other financing sources (uses)	410,000	71,794	481,794	49,657	(432,137)
Total revenues and other financing sources	\$ 71,548,295	\$ 71,794	\$ 71,620,089	\$ 72,246,512	\$ 626,423

(Concluded)

Town of Stonington, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
Office of selectman	\$ 277,304	\$ 3,449	\$ 280,753	\$ 270,809	\$ 9,944
Programs and agencies	87,832	(6,352)	81,480	81,084	396
Waterfront commission	1,850	67	1,917	1,916	1
Pawcatuck river harbor management	500	-	500	-	500
Shellfish commission	50	-	50	-	50
Economic development commission	18,470	-	18,470	17,760	710
Committee to study needs and use of town buildings	1,100	-	1,100	200	900
Beautification committee	5,000	-	5,000	5,000	-
Charter revision committee	2,000	-	2,000	-	2,000
Emergency management	27,199	-	27,199	25,961	1,238
Elections	127,962	-	127,962	111,437	16,525
Town clerk	242,845	-	242,845	235,722	7,123
Town meeting and referenda	6,200	-	6,200	3,358	2,842
Administration	368,659	(3)	368,656	345,478	23,178
Information systems	332,143	2,000	334,143	333,748	395
Human resources	3,644,709	(49,798)	3,594,911	3,475,017	119,894
Health officer, sanitation and EMS	136,104	11,794	147,898	147,774	124
Community development	15,000	-	15,000	4,253	10,747
Assessor's office	353,821	22,042	375,863	372,768	3,095
Board of Assessment Appeals	2,360	-	2,360	1,877	483
Finance office	488,389	9,649	498,038	482,904	15,134
Office of the Treasurer	4,674	-	4,674	4,574	100
Office of the tax collector	240,503	-	240,503	229,637	10,866
Board of Finance	752,726	(482,264)	270,462	246,582	23,880
Risk management	740,023	-	740,023	734,638	5,385
Planning office	432,801	30,000	462,801	455,260	7,541
Planning and zoning commission	37,000	(10,000)	27,000	8,863	18,137
Zoning board of appeals	6,725	-	6,725	1,718	5,007
Conservation commission	5,600	-	5,600	-	5,600
Inland wetlands commission	2,500	-	2,500	1,624	876
Climate change task force	2,000	-	2,000	-	2,000
Total general government	8,364,049	(469,416)	7,894,633	7,599,962	294,671
Public works:					
Highway department	2,619,892	17,376	2,637,268	2,547,798	89,470
Sanitation and waste removal	2,860,642	8,845	2,869,487	2,770,102	99,385
Water Pollution Control Authority	100,128	4,200	104,328	103,192	1,136
Engineering services	218,501	4,222	222,723	222,523	200
Operation and maintenance Town building/property	754,013	(17,374)	736,639	697,220	39,419
Building official	276,266	-	276,266	247,527	28,739
Total public works:	6,829,442	17,269	6,846,711	6,588,362	258,349
Public safety:					
Department of public safety	6,153,336	(43,940)	6,109,396	5,715,008	394,388
Ambulances	157,500	-	157,500	157,367	133
Total public safety	6,310,836	(43,940)	6,266,896	5,872,375	394,521
Human services:					
Office of human services	483,392	7,500	490,892	446,853	44,039

(Continued)

Town of Stonington, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Social services:					
Commission on aging	\$ 7,100	\$ -	\$ 7,100	\$ 6,800	\$ 300
Outside agencies	360,200	-	360,200	358,200	2,000
Total social services	367,300	-	367,300	365,000	2,300
Recreation	137,919	142	138,061	138,060	1
Library	446,500	-	446,500	446,500	-
Payments to other civic divisions	267,828	-	267,828	267,828	-
Education	37,401,100	-	37,401,100	37,316,909	84,191
Debt service	8,082,815	-	8,082,815	8,066,702	16,113
Total expenditures	68,691,181	(488,445)	68,202,736	67,108,551	1,094,185
Other financing uses:					
Transfers out:					
Miscellaneous fund	168,483	-	168,483	168,483	-
Capital nonrecurring fund	2,438,631	560,239	2,998,870	2,998,870	-
Sewer usage fund	250,000	-	250,000	250,000	-
Total other financing uses	2,857,114	560,239	3,417,353	3,417,353	-
Total expenditures and other financing uses	\$ 71,548,295	\$ 71,794	\$ 71,620,089	\$ 70,525,904	\$ 1,094,185

(Concluded)

Town of Stonington, Connecticut

Notes to Required Supplementary Information

Budgets and Budgetary Accounting
For the Year Ended June 30, 2021

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

The budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

1. The Town does not recognize as revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the Town's behalf.
2. Encumbrances are recognized as valid and proper charges against budget appropriations in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year but are shown as an assigned fund balance on a GAAP basis.

Reconciliation to Exhibit D

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI-1	\$ 72,196,855	\$ 67,108,551
Prior year encumbrances liquidated in the current year	-	287,293
Encumbrances outstanding at year end charged to budgetary expenditures	-	(1,230,755)
Closed tax sale account recognized as revenue	93,216	-
State Teachers' pension on behalf amount	4,758,442	4,758,442
State Teachers' OPEB on behalf amount	<u>114,838</u>	<u>114,838</u>
GAAP Basis - Exhibit D	<u>\$ 77,163,351</u>	<u>\$ 71,038,369</u>

Formal budgetary integration is employed as a management control device during the year.

No later than January 1, each Department, Office, Board or Commission of the Town, supported wholly or in part by Town funds, or for which a specific Town appropriation is made, except the Board of Education, shall prepare and submit to the First Selectman a detailed estimate of the expenditures to be made and the anticipated revenue other than tax revenue to be received during the ensuing fiscal year. The Board of Education shall submit its budget request by March 1st to the Board of Finance. The First Selectman, after consultation with the Director of Finance, shall prescribe the format for budget presentation which shall include, at a minimum, comparative statistics for the current and preceding fiscal year operations.

No later than March 15th, the First Selectman shall present to the Board of Finance an itemized annual operating budget, including the Board of Education budget.

The Board of Finance shall hold one (1) or more public hearings no later than the first Monday of May, at which time any elector or taxpayer may have an opportunity to be heard regarding appropriations for the ensuing fiscal year. Following receipt of the estimates from the First Selectman, the Board of Finance shall cause said estimates to be made available for review in the office of the Town Clerk. At least five (5) days before the aforementioned public hearing, the Board of Finance shall cause to be published in a newspaper having a substantial circulation in the Town, a notice of such public hearing and a summary of said proposed budget estimates which show the amount to be raised by taxation.

Town of Stonington, Connecticut

Notes to Required Supplementary Information

**Budgets and Budgetary Accounting
For the Year Ended June 30, 2021**

The Board of Finance shall have the authority to increase or decrease the budget submitted by the First Selectman. Within fifteen (15) days after holding the final such public hearing, the Board of Finance shall approve an operating budget and file the same with the Town Clerk for submission to the Annual Town Budget Meeting. There shall be a Town Meeting for the consideration of the budget to be held no later than the third Monday in May and at such place and time as the Board of Selectmen may determine. Said meeting may be recessed as necessary. The budget adoption procedure shall be the following:

If the budget has not been submitted or petitioned to a Referendum, the budget as presented may be adopted by a majority vote of those present and voting thereon.

If the budget is rejected, it shall be returned to the Board of Finance who shall reconsider the budget and resubmit a budget to the recessed Town Meeting to be held no more than three (3) weeks after said rejection with at least (5) days published notice thereof.

The same steps and procedures, including published notices of meetings, shall be followed as outlined above until a budget has been adopted.

Any resubmitted budget may be submitted or petitioned to a referendum.

In the event a budget has not been approved by June 15, the Board of Selectmen shall be empowered to set a mill rate in order to facilitate the preparation and mailing of tax bills at a level that in its best judgment will meet the needs of the Town for the ensuing year. In the event a budget has been adopted prior to June 15, the Board of Finance shall meet and set the mill rate at a level sufficient to meet the needs of the Town for the ensuing year.

The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.

The Board of Finance, in accordance with the provisions of the Charter and the Connecticut General Statutes, is authorized to transfer unexpended balances from one appropriation to another. Management may not authorize any additional appropriations. The Board of Selectmen and the Board of Finance may approve additional appropriations cumulating no more than 0.5% of the current year operating budget.

The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Board of Finance approval.

There were additional appropriations made during the year as follows:

Additional revenue	\$ 31,794
Fund balance	<u>40,000</u>
Total	<u><u>\$ 71,794</u></u>

(Concluded)

Town of Stonington, Connecticut
Required Supplementary Information

Employees' Pension Plan
Last Eight Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>								
Total pension liability:								
Service cost	\$ 624,334	\$ 671,928	\$ 657,076	\$ 716,716	\$ 785,169	\$ 807,690	\$ 784,165	\$ 761,325
Interest	2,597,102	2,593,883	2,534,914	2,460,694	2,299,512	2,223,435	2,337,106	2,210,832
Change of benefit terms	-	-	-	-	-	-	783,451	-
Differences between expected and actual experience	(516,973)	(911,581)	(326,759)	(278,195)	106,186	(365,705)	(504,935)	-
Change of assumptions	(159,814)	386,031	516,186	-	915,592	-	(253,207)	-
Benefit payments, including refunds of member contributions	(1,972,849)	(1,809,614)	(1,785,452)	(1,696,075)	(1,605,602)	(1,428,980)	(1,353,367)	(1,270,805)
Net change in total pension liability	571,800	930,647	1,595,965	1,203,140	2,500,857	1,236,440	1,793,213	1,701,352
Total pension liability - July 1	40,301,965	39,371,318	37,775,353	36,572,213	34,071,356	32,834,916	31,041,703	29,340,351
Total pension liability - June 30 (a)	<u>\$ 40,873,765</u>	<u>\$ 40,301,965</u>	<u>\$ 39,371,318</u>	<u>\$ 37,775,353</u>	<u>\$ 36,572,213</u>	<u>\$ 34,071,356</u>	<u>\$ 32,834,916</u>	<u>\$ 31,041,703</u>
Plan fiduciary net position:								
Contributions - employer	\$ 952,427	\$ 992,018	\$ 974,686	\$ 1,009,822	\$ 997,631	\$ 1,029,505	\$ 1,103,588	\$ 1,147,449
Contributions - member	179,431	185,121	207,951	206,501	205,299	216,143	219,235	257,396
Net investment income (loss)	9,214,203	179,820	1,736,708	2,234,636	3,137,730	(79,775)	233,513	3,765,012
Benefit payments, including refunds of member contributions	(1,972,849)	(1,809,614)	(1,785,452)	(1,696,075)	(1,605,602)	(1,428,980)	(1,353,367)	(1,270,805)
Administration expenses	(52,493)	(47,405)	(46,881)	(44,181)	(37,332)	(34,399)	(32,251)	(47,133)
Net change in plan fiduciary net position	8,320,719	(500,060)	1,087,012	1,710,703	2,697,726	(297,506)	170,718	3,851,919
Plan fiduciary net position - July 1	34,188,229	34,688,289	33,601,277	31,890,574	29,192,848	29,490,354	29,319,636	25,467,717
Plan fiduciary net position - June 30 (b)	<u>\$ 42,508,948</u>	<u>\$ 34,188,229</u>	<u>\$ 34,688,289</u>	<u>\$ 33,601,277</u>	<u>\$ 31,890,574</u>	<u>\$ 29,192,848</u>	<u>\$ 29,490,354</u>	<u>\$ 29,319,636</u>
Net pension liability (asset) - June 30 (a)-(b)	<u>\$ (1,635,183)</u>	<u>\$ 6,113,736</u>	<u>\$ 4,683,029</u>	<u>\$ 4,174,076</u>	<u>\$ 4,681,639</u>	<u>\$ 4,878,508</u>	<u>\$ 3,344,562</u>	<u>\$ 1,722,067</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>104.00%</u>	<u>84.83%</u>	<u>88.11%</u>	<u>88.95%</u>	<u>87.20%</u>	<u>85.68%</u>	<u>89.81%</u>	<u>94.45%</u>
Covered payroll	<u>\$ 6,801,329</u>	<u>\$ 6,910,565</u>	<u>\$ 7,474,353</u>	<u>\$ 7,665,442</u>	<u>\$ 8,441,906</u>	<u>\$ 8,535,124</u>	<u>\$ 9,007,063</u>	<u>\$ 9,124,324</u>
Net pension liability (asset) as a percentage of covered payroll	<u>(24.04%)</u>	<u>88.47%</u>	<u>62.65%</u>	<u>54.45%</u>	<u>55.46%</u>	<u>57.16%</u>	<u>37.13%</u>	<u>18.87%</u>
<u>Schedule of Investment Returns</u>								
Annual money weighted rate of return, net of investment expense	<u>26.91%</u>	<u>0.52%</u>	<u>5.20%</u>	<u>7.07%</u>	<u>10.89%</u>	<u>(0.28%)</u>	<u>0.83%</u>	<u>15.07%</u>

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

See Notes to Required Supplementary Information.

Town of Stonington, Connecticut

Required Supplementary Information

Employees' Pension Plan
Schedule of Contributions
Last Ten Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contributions	\$ 951,997	\$ 988,377	\$ 952,476	\$1,015,388	\$ 927,734	\$1,044,301	\$1,083,331	\$1,108,457	\$1,119,643	\$1,171,692
Contributions in relation to the actuarially determined contribution	<u>952,427</u>	<u>992,018</u>	<u>974,686</u>	<u>1,009,822</u>	<u>997,631</u>	<u>1,029,505</u>	<u>1,103,588</u>	<u>1,147,449</u>	<u>1,130,478</u>	<u>1,342,122</u>
Contribution excess (deficiency)	<u>\$ 430</u>	<u>\$ 3,641</u>	<u>\$ 22,210</u>	<u>\$ (5,566)</u>	<u>\$ 69,897</u>	<u>\$ (14,796)</u>	<u>\$ 20,257</u>	<u>\$ 38,992</u>	<u>\$ 10,835</u>	<u>\$ 170,430</u>
Covered payroll	<u>\$6,801,329</u>	<u>\$6,910,565</u>	<u>\$7,474,353</u>	<u>\$7,665,442</u>	<u>\$8,441,906</u>	<u>\$8,535,124</u>	<u>\$9,007,063</u>	<u>\$9,124,324</u>	<u>\$8,958,441</u>	<u>\$9,071,534</u>
Contributions as a percentage of covered payroll	<u>14.00%</u>	<u>14.36%</u>	<u>13.04%</u>	<u>13.17%</u>	<u>11.82%</u>	<u>12.06%</u>	<u>12.25%</u>	<u>12.58%</u>	<u>12.62%</u>	<u>14.79%</u>

See Notes to Required Supplementary Information.

Town of Stonington, Connecticut

Notes to Required Supplementary Information

**Employees' Pension Plan
Schedule of Contributions
Last Eight Years (1)**

	2021	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2020	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2016	July 1, 2015	July 1, 2013	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:								
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level dollar	Level dollar	Level dollar
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.40%	2.75%	2.75%	2.75%	2.75%	3.00%	1.25%	1.25%
Salary Increases	2.75% - 6.25%, average, including inflation	2.75% - 4.50%, average, including inflation	2.75% - 4.50%, average, including inflation	2.75% - 4.50%, average, including inflation	2.75% - 4.50%, average, including inflation	2.50%, average, including inflation	2.50%, average, including inflation	2.50%, average, including inflation
Investment Rate of Return (Net)	6.375%	7.00%	7.00%	7.00%	7.00%	7.50%	7.50%	7.50%
Mortality Rate	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables projected with Scale MP-2020	RP-2014 projected with Scale MP-2018	RP-2014 projected with Scale MP-2017	RP-2014 projected with Scale MP-2015	RP-2014 projected with Scale MP-2015	RP-2014 projected with Scale MP-2014	RP-2000 projected to the valuation date with Scale AA	RP-2000 projected to the valuation date with Scale AA

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Stonington, Connecticut

Required Supplementary Information

Connecticut Municipal Employees' Retirement System
Last Seven Years (1)

	2021	2020	2019	2018	2017	2016	2015
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Schedule of Proportionate Share of the Net Pension Liability

Town's proportion of the net pension liability

for the police officers and firefighters without social security sub plan	<u>2.451724%</u>	<u>2.386865%</u>	<u>2.447326%</u>	<u>2.242232%</u>	<u>2.242232%</u>	<u>2.376509%</u>	<u>2.464900%</u>
Town's proportionate share of the net pension (asset) liability	<u>\$ 8,322,442</u>	<u>\$ 7,758,184</u>	<u>\$ 6,667,922</u>	<u>\$ (1,721,274)</u>	<u>\$ (1,262,985)</u>	<u>\$ (1,999,744)</u>	<u>\$ (2,353,578)</u>
Town's covered payroll	<u>\$ 4,164,606</u>	<u>\$ 4,065,329</u>	<u>\$ 4,101,836</u>	<u>\$ 3,428,033</u>	<u>\$ 3,428,033</u>	<u>\$ 3,351,915</u>	<u>\$ 3,067,938</u>
Town's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	<u>199.84%</u>	<u>190.84%</u>	<u>162.56%</u>	<u>(50.21)%</u>	<u>(36.84)%</u>	<u>(59.66)%</u>	<u>(76.72)%</u>
Total plan fiduciary net position as a percentage of the total pension liability	<u>71.18%</u>	<u>72.69%</u>	<u>73.60%</u>	<u>91.68%</u>	<u>88.29%</u>	<u>92.72%</u>	<u>90.48%</u>

Schedule of Contributions

Contractually required contribution	<u>\$ 861,034</u>	<u>\$ 637,052</u>	<u>\$ 652,779</u>	<u>\$ 577,686</u>	<u>\$ 513,519</u>	<u>\$ 494,982</u>	<u>\$ 457,302</u>
Contributions in relation to the contractually required contribution	<u>861,034</u>	<u>637,052</u>	<u>652,779</u>	<u>577,686</u>	<u>513,519</u>	<u>494,982</u>	<u>457,302</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 3,928,075</u>	<u>\$ 3,071,610</u>	<u>\$ 3,855,753</u>	<u>\$ 3,412,203</u>	<u>\$ 3,428,031</u>	<u>\$ 3,304,286</u>	<u>\$ 2,856,352</u>
Contributions as a percentage of covered payroll	<u>21.92%</u>	<u>20.74%</u>	<u>16.93%</u>	<u>16.93%</u>	<u>14.98%</u>	<u>14.98%</u>	<u>16.01%</u>

(1) This schedule is intended to present information for 10 years. Additional years will be presented as the information becomes available.

N/A - Not available

See Notes to Required Supplementary Information.

Town of Stonington, Connecticut

Notes to Required Supplementary Information

Connecticut Municipal Employees' Retirement System
Schedule of Contributions
Last Seven Years (1)

	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed
Remaining Amortization Period	19 years	20 years	21 years	23 years	23 years	25 years	25 years
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.50%	2.50%	2.50%	3.25%	3.25%	3.25%	3.25%
Salary Increases	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation
Cost-of-Living Adjustments	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards
Social Security Wage Base	3.00%	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%
Investment Rate of Return (Net)	7.00%	7.00%	7.00%	8.00%	8.00%	8.00%	8.00%
Mortality	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries

(1) This schedule is intended to present information for 10 years. Additional years will be presented as the information becomes available.

Town of Stonington, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement System
Last Seven Years (3)

	2021	2020	2019	2018	2017	2016	2015
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Schedule of Proportionate Share of the Net Pension Liability

Town's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	<u>74,186,503</u>	<u>68,011,051</u>	<u>52,440,472</u>	<u>56,047,411</u>	<u>59,130,448</u>	<u>45,293,369</u>	<u>41,864,643</u>
Total	<u>\$74,186,503</u>	<u>\$68,011,051</u>	<u>\$52,440,472</u>	<u>\$56,047,411</u>	<u>\$59,130,448</u>	<u>\$45,293,369</u>	<u>\$41,864,643</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

Schedule of Contributions

Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the net pension liability.

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

See Notes to Required Supplementary Information.

Town of Stonington, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement System
Schedule of Contributions
Last Seven Years (1)

	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	27.8 years	30 years	30 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-Living Adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment Rate of Return (Net)	6.90%	6.90%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

Town of Stonington, Connecticut

Required Supplementary Information

Other Post-Employment Benefit (OPEB) Plan
Last Five Years (1)

	2021	2020	2019	2018	2017
<u>Schedule of Changes in Net OPEB Liability and Related Ratios</u>					
Total OPEB liability:					
Service cost	\$ 74,541	\$ 139,505	\$ 133,370	\$ 150,317	\$ 143,707
Interest	309,907	313,629	307,635	412,772	401,263
Differences between expected and actual experience	(261,405)	(345,172)	116,397	(1,927,076)	-
Changes in assumptions	-	168,470	-	111,053	-
contributions	(63,498)	(472,348)	(463,033)	(363,114)	(371,649)
Net change in total OPEB liability	59,545	(195,916)	94,369	(1,616,048)	173,321
Total OPEB liability - July 1	4,915,239	5,111,155	5,016,786	6,632,834	6,459,513
Total OPEB liability - June 30 (a)	<u>\$ 4,974,784</u>	<u>\$ 4,915,239</u>	<u>\$ 5,111,155</u>	<u>\$ 5,016,786</u>	<u>\$ 6,632,834</u>
Plan fiduciary net position:					
Contributions - employer	\$ 241,770	\$ 635,767	\$ 623,096	\$ 403,013	\$ 461,649
Contributions - TRB subsidy	57,719	60,581	39,468	66,101	-
Net investment income (loss)	257,179	48,980	58,257	39,373	67,145
Benefit payments, including refunds of member contributions	(63,498)	(472,348)	(463,033)	(363,114)	(371,649)
Administration expenses	(6,175)	(14,260)	(16,500)	(8,590)	(2,000)
Net change in plan fiduciary net position	486,995	258,720	241,288	136,783	155,145
Plan fiduciary net position - July 1	1,818,757	1,560,037	1,318,749	1,181,966	1,026,821
Plan fiduciary net position - June 30 (b)	<u>\$ 2,305,752</u>	<u>\$ 1,818,757</u>	<u>\$ 1,560,037</u>	<u>\$ 1,318,749</u>	<u>\$ 1,181,966</u>
Net OPEB liability - June 30 (a)-(b)	<u>\$ 2,669,032</u>	<u>\$ 3,096,482</u>	<u>\$ 3,551,118</u>	<u>\$ 3,698,037</u>	<u>\$ 5,450,868</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>46.35%</u>	<u>37.00%</u>	<u>30.52%</u>	<u>26.29%</u>	<u>17.82%</u>
Covered payroll	<u>\$ 29,333,841</u>	<u>\$ 28,590,488</u>	<u>\$ 29,988,630</u>	<u>\$ 29,228,684</u>	<u>\$ 25,305,169</u>
Net OPEB liability as a percentage of covered payroll	<u>9.10%</u>	<u>10.83%</u>	<u>11.84%</u>	<u>12.65%</u>	<u>21.54%</u>

Schedule of Investment Returns

Annual money weighted rate of return, net of investment expense	<u>14.10%</u>	<u>2.91%</u>	<u>5.31%</u>	<u>3.04%</u>	<u>7.45%</u>
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(1) These schedules are intended to present information for 10 years. Additional years will be presented as the information becomes available.

Town of Stonington, Connecticut

Required Supplementary Information

Other Post-Employment Benefits (OPEB) Plan
Schedule of Contributions
Last Ten Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contributions	\$ 410,428	\$ 463,294	\$ 458,274	\$ 453,445	\$ 446,489	\$ 431,821	\$ 412,037	\$ 731,000	\$ 699,000	\$ 729,000
Contributions in relation to the actuarially determined contribution	<u>241,770</u>	<u>635,767</u>	<u>623,096</u>	<u>469,114</u>	<u>461,649</u>	<u>349,443</u>	<u>327,071</u>	<u>694,000</u>	<u>668,000</u>	<u>1,070,000</u>
Contribution excess (deficiency)	<u>\$ (168,658)</u>	<u>\$ 172,473</u>	<u>\$ 164,822</u>	<u>\$ 15,669</u>	<u>\$ 15,160</u>	<u>\$ (82,378)</u>	<u>\$ (84,966)</u>	<u>\$ (37,000)</u>	<u>\$ (31,000)</u>	<u>\$ 341,000</u>
Covered payroll	<u>\$ 29,333,841</u>	<u>\$ 28,590,488</u>	<u>\$ 29,988,630</u>	<u>\$ 29,228,684</u>	<u>\$ 25,305,169</u>	<u>\$ 28,389,610</u>	<u>\$ 28,389,610</u>	<u>\$ 26,065,000</u>	<u>\$ 26,065,000</u>	<u>N/A</u>
Contributions as a percentage of covered payroll	<u>0.82%</u>	<u>2.22%</u>	<u>2.08%</u>	<u>1.60%</u>	<u>1.82%</u>	<u>1.23%</u>	<u>1.15%</u>	<u>2.66%</u>	<u>2.56%</u>	<u>N/A</u>

N/A - Not available

Town of Stonington, Connecticut

Notes to Required Supplementary Information

**Other Post-Employment Benefit (OPEB) Plan
Schedule of Contributions
Last Eight Years (1)**

	2021	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2019	July 1, 2017	July 1, 2017	July 1, 2016	July 1, 2016	July 1, 2014	July 1, 2014	July 1, 2012
Actuarial methods and assumptions used to determine contribution rates:								
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Healthcare Inflation Rate - Initial	6.50%	7.00%	7.00%	6.26%	6.26%	6.80%	6.80%	6.80%
Healthcare Inflation Rate - Ultimate	4.60%	4.60%	4.60%	4.60%	4.60%	4.70%	4.70%	4.70%
Investment Rate of Return (Net)	6.25%	6.25%	6.25%	6.25%	6.25%	7.50%	7.50%	7.50%
Mortality Rate	RP-2014 projected with Scale MP-2019	RP-2014 projected with Scale MP-2018	RP-2014 projected with Scale MP-2018	RP-2014 projected with Scale MP-2015	RP-2014 projected with Scale MP-2015	RP-2000 Mortality projected with Scale BB	RP-2000 Mortality projected with Scale BB	Based on the 1983 Group Mortality Table 50% male 50% female

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

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Town of Stonington, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Schedule of Contributions
Last Four Years (1)

	2021	2020	2019	2018
Changes of Benefit Terms	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:				
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years	30 years	30 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.50%	2.75%	2.75%	2.75%
Healthcare Inflation Rate	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return (Net)	3.00%	3.00%	3.00%	4.25%
Mortality Rate	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Supplemental Schedules

General Fund

The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, highway, sanitation and waste removal, human services, social services, recreation, libraries, payments to other civic divisions, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

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Town of Stonington, Connecticut

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 66,058,237	\$ -	\$ 66,058,237	\$ 66,693,136	\$ 634,899
Intergovernmental	1,462,558	-	1,462,558	1,483,619	21,061
Charges for services	3,350,000	-	3,350,000	3,910,700	560,700
Use of money and property	267,500	-	267,500	109,400	(158,100)
Total revenues	<u>71,138,295</u>	<u>-</u>	<u>71,138,295</u>	<u>72,196,855</u>	<u>1,058,560</u>
Expenditures:					
Current:					
General government	8,364,049	(469,416)	7,894,633	7,599,962	294,671
Public works	6,829,442	17,269	6,846,711	6,588,362	258,349
Public safety	6,310,836	(43,940)	6,266,896	5,872,375	394,521
Human services	483,392	7,500	490,892	446,853	44,039
Social services	367,300	-	367,300	365,000	2,300
Recreation	137,919	142	138,061	138,060	1
Libraries	446,500	-	446,500	446,500	-
Payments to other civic divisions	267,828	-	267,828	267,828	-
Education	37,401,100	-	37,401,100	37,316,909	84,191
Debt service	8,082,815	-	8,082,815	8,066,702	16,113
Total expenditures	<u>68,691,181</u>	<u>(488,445)</u>	<u>68,202,736</u>	<u>67,108,551</u>	<u>1,094,185</u>
Excess (deficiency) of revenues over expenditures	<u>2,447,114</u>	<u>488,445</u>	<u>2,935,559</u>	<u>5,088,304</u>	<u>2,152,745</u>
Other financing sources (uses):					
Appropriation of fund balance	400,000	40,000	440,000	-	(440,000)
Cancellation of prior year encumbrances	10,000	-	10,000	17,863	7,863
Transfers in	-	31,794	31,794	31,794	-
Transfers out	(2,857,114)	(560,239)	(3,417,353)	(3,417,353)	-
Net other financing sources (uses)	<u>(2,447,114)</u>	<u>(488,445)</u>	<u>(2,935,559)</u>	<u>(3,367,696)</u>	<u>(432,137)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,720,608</u>	<u>\$ 1,720,608</u>
Fund balance - July 1, 2020				<u>15,375,275</u>	
Fund balance - June 30, 2021				<u>\$ 17,095,883</u>	

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Department of first selectman:					
Office of selectman:					
First selectman	\$ 96,716	\$ -	\$ 96,716	\$ 96,716	\$ -
Second selectman	13,919	-	13,919	13,919	-
Third selectman	13,919	-	13,919	13,919	-
Town attorney	50,000	-	50,000	50,000	-
Examination of indices	4,000	-	4,000	4,000	-
Mosquito abatement	34,000	-	34,000	34,000	-
Legal services and courts	40,000	-	40,000	31,542	8,458
Professional associations and publications	1,000	-	1,000	1,026	(26)
Furniture and equipment	1,000	-	1,000	239	761
Tree warden stipend	2,000	-	2,000	2,000	-
Tree warden expenses	750	-	750	259	491
Town wide	20,000	3,449	23,449	23,189	260
Total office of selectman	277,304	3,449	280,753	270,809	9,944
Programs and agencies:					
S.E.A.T.	25,292	632	25,924	25,924	-
Sector	6,166	-	6,166	6,166	-
CT Conference of Municipalities	13,000	(6,984)	6,016	6,016	-
Southeastern CT Council of Government	9,689	-	9,689	9,689	-
Mystic river park public restrooms	10,609	-	10,609	10,609	-
CT council of small towns	1,275	-	1,275	1,275	-
Probate court occupancy	4,000	-	4,000	3,604	396
Probate court	6,301	-	6,301	6,301	-
Connecticut tourism coalition	1,500	-	1,500	1,500	-
Mystic River boat pumpout service	10,000	-	10,000	10,000	-
Total programs and agencies	87,832	(6,352)	81,480	81,084	396
Waterfront commission:					
Clerical services	1,650	67	1,717	1,800	(83)
Postage	75	-	75	75	-
Consumable supplies	25	-	25	25	-
Miscellaneous	100	-	100	16	84
Total waterfront commission	1,850	67	1,917	1,916	1
Pawcatuck river harbor management:					
Postage	100	-	100	-	100
Advertising	100	-	100	-	100
Consumable supplies	100	-	100	-	100
Reproduction and printing	100	-	100	-	100
Miscellaneous	100	-	100	-	100
Total Pawcatuck river harbor management	500	-	500	-	500
Shellfish commission:					
Expenditures	50	-	50	-	50

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Economic development commission:					
Consulting services	\$ 15,000	\$ -	\$ 15,000	\$ 14,817	\$ 183
Postage	200	-	200	808	(608)
Consumable supplies	2,000	-	2,000	1,635	365
Travel	270	-	270	-	270
Professional association and publication	1,000	-	1,000	500	500
Total economic development commission	18,470	-	18,470	17,760	710
Committee to study needs and use of town buildings:					
Clerical services	1,000	-	1,000	200	800
Consumable supplies	100	-	100	-	100
Total committee to study needs and use of town buildings	1,100	-	1,100	200	900
Beautification committee:					
Expenses	5,000	-	5,000	5,000	-
Charter revision commission:					
Clerical services	1,800	-	1,800	-	1,800
Expenses	200	-	200	-	200
Total charter revision commission	2,000	-	2,000	-	2,000
Emergency management:					
Emergency management director	14,268	-	14,268	14,268	-
Clerical salaries	2,106	-	2,106	2,106	-
Emergency operations center staffings	1	-	1	-	1
Consumable supplies	1,250	(750)	500	90	410
Equipment	3,500	(3,500)	-	-	-
Development of emergency plan	1	5,000	5,001	4,241	760
Miscellaneous	100	-	100	-	100
Furniture and equipment	750	(750)	-	-	-
Generator maintenance	1	-	1	-	1
Water testing	1	-	1	-	1
Communications	1	-	1	-	1
Training and education	200	-	200	-	200
Mass notification system	5,020	-	5,020	5,256	(236)
Total emergency management	27,199	-	27,199	25,961	1,238
Elections:					
Referenda/election personnel	50,000	-	50,000	37,928	12,072
Registrars' salaries	39,262	-	39,262	44,899	(5,637)
Postage	5,000	-	5,000	5,777	(777)
Advertising	1,500	-	1,500	-	1,500
Consumable supplies	1,500	-	1,500	501	999
Telephone	3,500	-	3,500	1,307	2,193
Equipment	4,000	-	4,000	1,561	2,439
Reproduction and printing	700	-	700	730	(30)
Professional associations and publications	500	-	500	420	80
Voting canvas	500	-	500	126	374
Miscellaneous	1,000	-	1,000	323	677
Ballot printing / programming	15,000	-	15,000	15,000	-
Furniture and equipment	1,500	-	1,500	-	1,500
Training and education	1,000	-	1,000	60	940
Voting machine	3,000	-	3,000	2,805	195
Total elections	127,962	-	127,962	111,437	16,525

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Town clerk:					
Salary of Town clerk	\$ 85,271	\$ -	\$ 85,271	\$ 85,270	\$ 1
Clerical salaries	111,384	-	111,384	113,355	(1,971)
Longevity	5,940	-	5,940	5,940	-
Postage	1,500	-	1,500	1,499	1
Advertising	2,500	-	2,500	-	2,500
Consumable supplies	3,000	-	3,000	2,663	337
Telephone	475	-	475	48	427
Equipment	3,500	-	3,500	4,101	(601)
Professional associations and publications	275	-	275	275	-
Training and education	1,500	-	1,500	100	1,400
Land records and data processing	27,000	-	27,000	22,059	4,941
Vital statistics	500	-	500	412	88
Total Town clerk	242,845	-	242,845	235,722	7,123
Town meeting and referenda:					
Town meeting personnel	200	-	200	-	200
Advertising	6,000	-	6,000	3,358	2,642
Total Town meeting and referenda	6,200	-	6,200	3,358	2,842
Payment/other civil divisions:					
Borough of Stonington	267,828	-	267,828	267,828	-
Total department of first selectman	1,066,140	(2,836)	1,063,304	1,021,075	42,229
Department of administrative services:					
Administration:					
Director of administrative services	102,324	-	102,324	101,599	725
Executive admin assistant	-	71,240	71,240	71,240	-
Administrative support staff	197,775	(141,053)	56,722	55,962	760
Longevity	3,660	-	3,660	3,660	-
Postage	1,000	-	1,000	1,600	(600)
Advertising	11,500	-	11,500	10,652	848
Consumable supplies	4,000	-	4,000	3,528	472
Reproduction and printing	4,000	-	4,000	677	3,323
Telephone	150	-	150	121	29
Equipment	4,400	-	4,400	2,334	2,066
Professional associations and publications	2,200	-	2,200	1,112	1,088
Database expenses	9,000	-	9,000	8,957	43
Miscellaneous	300	-	300	594	(294)
Furniture and equipment	2,270	-	2,270	2,609	(339)
Training and education	1,580	-	1,580	749	831
Human resources coordinator	-	69,810	69,810	69,809	1
Technical and professional services	8,500	-	8,500	6,933	1,567
Memorial observances	11,000	-	11,000	3,342	7,658
Columbus day observances	5,000	-	5,000	-	5,000
Total administration	368,659	(3)	368,656	345,478	23,178

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Information systems:					
IT manager	\$ 96,796	\$ -	\$ 96,796	\$ 96,008	\$ 788
Technology support specialist	67,127	-	67,127	66,306	821
Longevity	1,170	-	1,170	1,170	-
Postage	200	-	200	-	200
Consumable supplies	1,500	-	1,500	1,224	276
Reproduction and printing	50	-	50	19	31
Telephone	1,500	-	1,500	1,591	(91)
Professional associations and publications	250	-	250	470	(220)
Equipment and licensing	48,000	-	48,000	50,857	(2,857)
Internet hosting expense	7,500	-	7,500	6,863	637
Miscellaneous	50	-	50	52	(2)
Training and education	5,000	-	5,000	925	4,075
GIS	30,000	-	30,000	30,118	(118)
Telecommunications	61,000	2,000	63,000	67,275	(4,275)
Technical assistance	12,000	-	12,000	10,870	1,130
Total information systems	332,143	2,000	334,143	333,748	395
Human resources:					
Employee training/education	10,000	-	10,000	5,213	4,787
Labor negotiations	40,000	-	40,000	4,613	35,387
Labor Counsel	80,000	-	80,000	46,369	33,631
Pension plan-DB	501,000	-	501,000	501,000	-
Pension plan-DC 401A	130,426	-	130,426	129,978	448
Social security	561,002	-	561,002	542,090	18,912
Unemployment	20,000	-	20,000	36,047	(16,047)
Employee assistance program	3,150	-	3,150	1,999	1,151
Employee screening	3,200	-	3,200	1,608	1,592
Additional manpower	5,000	-	5,000	2,050	2,950
Employee travel expense	24,000	-	24,000	7,028	16,972
Accrued leave payout	150,000	(49,798)	100,202	98,529	1,673
Retiree health care	75,000	-	75,000	61,212	13,788
Health insurance	1,996,000	-	1,996,000	2,011,904	(15,904)
Life insurance	27,400	-	27,400	23,419	3,981
Rx eyewear reimbursement	2,100	-	2,100	1,760	340
Replacement staff training	1	-	1	-	1
Professional and technical services	16,430	-	16,430	198	16,232
Total human resources	3,644,709	(49,798)	3,594,911	3,475,017	119,894
Health officer, sanitation and EMS:					
Ledge light health district	135,969	11,794	147,763	147,763	-
Expenditures	-	-	-	11	(11)
Consumable supplies	135	-	135	-	135
Total health officer, sanitation and EMS	136,104	11,794	147,898	147,774	124
Community development:					
Clerical salaries	15,000	-	15,000	4,253	10,747
Total department of administrative services	4,496,615	(36,007)	4,460,608	4,306,270	154,338

(Continued)

Town of Stonington, Connecticut

**General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2021**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Department of Assessment:					
Assessor's office:					
Assistant assessor	\$ -	\$ 1,501	\$ 1,501	\$ 1,500	\$ 1
Director of assessment	112,330	22,042	134,372	134,372	-
Deputy assessor	84,247	-	84,247	84,247	-
Clerical salaries	109,544	1,224	110,768	110,767	1
Longevity	5,030	-	5,030	5,030	-
Postage	750	-	750	700	50
Consumable supplies	2,600	(127)	2,473	1,680	793
Reproduction and printing	980	-	980	531	449
Telephone	200	-	200	69	131
Equipment	4,200	(1,709)	2,491	2,340	151
Professional associations and publications	4,070	22	4,092	4,092	-
Database expenses	18,880	105	18,985	18,985	-
Miscellaneous	990	-	990	690	300
Clothing allowance	400	-	400	400	-
Furniture and equipment	1,200	-	1,200	930	270
Training and education	2,700	(1,016)	1,684	935	749
Special audit personal property	5,700	-	5,700	5,500	200
Total assessor's office	353,821	22,042	375,863	372,768	3,095
Board of Assessment Appeals	2,360	-	2,360	1,877	483
Total department of assessment	356,181	22,042	378,223	374,645	3,578
Department of Finance:					
Finance office:					
Director of finance	120,000	-	120,000	120,000	-
Senior accountant	95,056	14,690	109,746	109,745	1
Clerical salaries	170,063	(3,514)	166,549	166,549	-
Longevity	5,070	-	5,070	5,070	-
Postage	1,700	-	1,700	2,359	(659)
Advertising	100	-	100	110	(10)
Consumable supplies	3,600	-	3,600	2,846	754
Reproduction and printing	750	-	750	608	142
Telephone	150	-	150	64	86
Professional associations and publication	1,600	-	1,600	875	725
Payroll services	25,200	-	25,200	21,921	3,279
Equipment and software support	25,000	16,973	41,973	41,862	111
Furniture and equipment	500	-	500	2,272	(1,772)
Training and education	1,000	-	1,000	-	1,000
Technical and professional	38,600	(18,500)	20,100	8,623	11,477
Total finance office	488,389	9,649	498,038	482,904	15,134
Office of the Treasurer:					
Salary of treasurer	4,574	-	4,574	4,574	-
Expenses	100	-	100	-	100
Total office of the treasurer	4,674	-	4,674	4,574	100

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Office of the tax collector:					
Salary of tax collector	\$ 84,838	\$ -	\$ 84,838	\$ 84,838	\$ -
Clerical salaries	112,464	-	112,464	110,346	2,118
Longevity	960	-	960	960	-
Postage	17,000	-	17,000	13,566	3,434
Advertising	1,700	-	1,700	1,074	626
Consumable supplies	1,500	-	1,500	88	1,412
Reproduction and printing	9,000	-	9,000	8,345	655
Telephone	175	-	175	97	78
Equipment	1,000	-	1,000	757	243
Professional associations and publications	265	-	265	265	-
Miscellaneous	100	-	100	100	-
Equipment and software support	10,000	-	10,000	8,886	1,114
Furniture and equipment	1	-	1	-	1
Training and education	1,500	-	1,500	315	1,185
Total office of the tax collector	240,503	-	240,503	229,637	10,866
Board of Finance:					
Clerical salaries	4,500	-	4,500	4,725	(225)
Postage	400	-	400	400	-
Advertising	750	-	750	981	(231)
Consumable supplies	250	-	250	31	219
Professional services	1	-	1	-	1
Legal support	34,000	(2,000)	32,000	26,352	5,648
Accounting and auditing	72,823	-	72,823	72,823	-
Special audit	1	-	1	-	1
GASB 75 (OPEB)	110,000	-	110,000	110,000	-
Contingency for education	1	-	1	1	-
Contingency for COVID 19	500,000	(480,264)	19,736	-	19,736
PCB's and hazardous materials testing	30,000	-	30,000	31,269	(1,269)
Total Board of Finance	752,726	(482,264)	270,462	246,582	23,880
Risk management:					
Risk management stipend	6,823	-	6,823	6,823	-
Property and liability insurance	700,000	-	700,000	641,120	58,880
Claims and damages	10,000	-	10,000	19,004	(9,004)
Special projects	-	-	-	18	(18)
Covid 19	-	-	-	53,111	(53,111)
Safety program	2,200	-	2,200	2,062	138
Technical and professional	21,000	-	21,000	12,500	8,500
Total risk management	740,023	-	740,023	734,638	5,385
Total department of finance	2,226,315	(472,615)	1,753,700	1,698,335	55,365
Department of planning:					
Planning office:					
Director of planning	110,000	(107,879)	2,121	-	2,121
Planner	89,113	5,279	94,392	94,392	-
Blight enforcement officer stipend	5,000	-	5,000	5,000	-
Zoning & wetlands officer	69,796	-	69,796	69,796	-

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Planning office (continued):					
Clerical salaries	\$ 105,482	\$ -	\$ 105,482	\$ 105,948	\$ (466)
Clerical meeting	5,500	-	5,500	3,900	1,600
Economic & comm dev director	-	102,600	102,600	102,600	-
Longevity	2,360	-	2,360	2,360	-
Consumable supplies	2,000	-	2,000	1,856	144
Reproduction and printing	3,000	-	3,000	1,044	1,956
Telephone	150	-	150	278	(128)
Equipment	4,500	10,000	14,500	10,611	3,889
Professional associations and publications	2,000	-	2,000	1,973	27
Clothing allowance	400	-	400	452	(52)
Furniture and equipment	1,000	-	1,000	778	222
Training and education	2,500	-	2,500	600	1,900
FEMA CRS community outreach	-	20,000	20,000	22,056	(2,056)
Professional services	30,000	-	30,000	31,616	(1,616)
Total planning office	432,801	30,000	462,801	455,260	7,541
Planning and zoning commission:					
Postage	3,500	-	3,500	3,500	-
Professional services	5,000	-	5,000	-	5,000
Advertising and court steno	20,000	(10,000)	10,000	5,363	4,637
Expenses - GIS	2,500	-	2,500	-	2,500
Computerization/archiving	5,000	-	5,000	-	5,000
Training and education	1,000	-	1,000	-	1,000
Total planning and zoning commission	37,000	(10,000)	27,000	8,863	18,137
Zoning board of appeals:					
Postage	725	-	725	725	-
Advertising	6,000	-	6,000	993	5,007
Total zoning board of appeals	6,725	-	6,725	1,718	5,007
Conservation commission:					
Professional associations and publication	600	-	600	-	600
Barn island field trips	5,000	-	5,000	-	5,000
Total conservation commission	5,600	-	5,600	-	5,600
Inland wetlands commission:					
Postage	500	-	500	500	-
Advertising	2,000	-	2,000	1,124	876
Total inland wetlands commission	2,500	-	2,500	1,624	876
Climate change task force:					
Seminars and programs (training and education)	1,000	-	1,000	-	1,000
Professional services	1,000	-	1,000	-	1,000
Total climate change task force	2,000	-	2,000	-	2,000
Total department of planning	486,626	20,000	506,626	467,465	39,161

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Department of public works:					
Highway department:					
Public works director	\$ 116,640	\$ -	\$ 116,640	\$ 116,640	\$ -
Labor salaries	1,275,670	(9,455)	1,266,215	1,254,707	11,508
Highway supervisor	87,040	-	87,040	87,039	1
Clerical salaries	55,222	-	55,222	54,930	292
Longevity	22,720	-	22,720	22,720	-
Postage	400	-	400	145	255
Consumable supplies	5,500	-	5,500	4,359	1,141
Telephone	550	187	737	737	-
Hardware	17,000	-	17,000	16,326	674
Miscellaneous	1,900	278	2,178	2,178	-
Clothing allowance	9,800	-	9,800	8,950	850
Training and education	4,500	35	4,535	4,535	-
Safety and protective	22,500	970	23,470	23,358	112
Land damage	2,000	-	2,000	1,818	182
Sidewalk repairs	72,000	-	72,000	72,000	-
Street signs	7,500	-	7,500	7,500	-
Tree trimming	17,000	-	17,000	16,830	170
Tree removal	20,000	-	20,000	19,345	655
Highway equipment	18,000	-	18,000	17,527	473
Road maintenance	11,500	-	11,500	10,705	795
Material disposal	25,000	-	25,000	23,698	1,302
Cemetery upkeep	1,000	-	1,000	800	200
Catch basin cleaning	32,000	-	32,000	32,001	(1)
Garage diagnostic equipment and tools	3,000	-	3,000	3,000	-
Bridge maintenance	1,000	-	1,000	-	1,000
Tree planting	500	1,354	1,854	1,854	-
Unleaded gasoline	14,000	898	14,898	14,898	-
Diesel fuel	49,000	-	49,000	17,645	31,355
Oil and lubrication	5,100	-	5,100	5,082	18
Repairs and maintenance (gas system)	4,000	-	4,000	1,941	2,059
Repairs and maintenance	160,000	-	160,000	158,581	1,419
Miscellaneous materials	1,350	-	1,350	-	1,350
Bituminous concrete	34,000	9,170	43,170	43,170	-
Drainage materials	27,000	-	27,000	25,505	1,495
Sand and gravel	20,500	-	20,500	16,038	4,462
Lumber	8,000	-	8,000	5,859	2,141
Pavement treatments	75,000	126	75,126	75,126	-
Annual fertilization program	20,000	-	20,000	20,000	-
Seasonal help	36,000	-	36,000	32,479	3,521
Materials, equipment, maintenance	42,000	-	42,000	41,837	163
Field work	15,000	-	15,000	14,545	455
Snow removal labor	130,000	13,813	143,813	143,813	-
Materials	145,000	-	145,000	124,500	20,500
Meal allowance	4,000	-	4,000	3,077	923
Total highway department	2,619,892	17,376	2,637,268	2,547,798	89,470

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Sanitation and waste removal:					
Salary of recycling/solid waste manager	\$ 94,054	\$ -	\$ 94,054	\$ 94,054	\$ -
General labor	410,083	-	410,083	397,276	12,807
Clerical salaries	54,072	8,844	62,916	62,916	-
Longevity	5,830	-	5,830	5,830	-
Postage	3,000	-	3,000	3,000	-
Advertising	300	-	300	-	300
Consumable supplies	1,400	-	1,400	1,325	75
Reproduction and printing	700	-	700	646	54
Equipment	100	-	100	-	100
Professional associations and publications	200	-	200	100	100
Clothing allowance	3,100	-	3,100	3,100	-
Training and education	500	-	500	-	500
Unleaded gasoline	3,500	-	3,500	1,296	2,204
Diesel fuel	8,000	-	8,000	3,404	4,596
Road maintenance	3,000	-	3,000	1,736	1,264
Utilities	6,800	-	6,800	6,104	696
General operations	48,000	-	48,000	45,733	2,267
Parts and labor	30,000	8,396	38,396	31,126	7,270
Grading and seeding	500	-	500	-	500
Water testing and monitoring	25,000	-	25,000	23,950	1,050
Cap maintenance	4,000	-	4,000	-	4,000
Disposal fees (SCRRA)	752,000	(74,887)	677,113	630,739	46,374
Residential collection (SCRRA)	699,000	-	699,000	697,230	1,770
Commercial collection and rentals (SCRRA)	566,500	24,494	590,994	590,994	-
SCRRA consulting	1	-	1	-	1
SCRRA contribution	1	-	1	-	1
Diesel fuel (SCRRA)	14,000	-	14,000	7,812	6,188
Repairs and maintenance (SCRRA)	8,000	-	8,000	734	7,266
SCRRA receptacle costs	119,000	41,998	160,998	160,997	1
Furniture and equipment	1	-	1	-	1
Total sanitation and waste removal	2,860,642	8,845	2,869,487	2,770,102	99,385
Engineering services:					
Town engineer	93,000	4,222	97,222	97,221	1
Part time engineer	1	-	1	-	1
Flood plain manager	14,000	-	14,000	12,399	1,601
Phase II storm water	85,000	-	85,000	86,063	(1,063)
Community rating system	3,600	-	3,600	2,498	1,102
Expenses	2,500	-	2,500	2,520	(20)
Clothing allowance	400	-	400	400	-
Professional services	20,000	-	20,000	21,422	(1,422)
Total engineering services	218,501	4,222	222,723	222,523	200
Operation and maintenance Town building/property:					
Janitorial/maintenance salary	87,973	13,629	101,602	101,602	-
Town facilities manager - stipend	10,000	-	10,000	10,000	-
Longevity	840	-	840	840	-
Miscellaneous	3,350	410	3,760	3,760	-
Heating oil	62,500	(13,766)	48,734	44,233	4,501
Electricity	125,000	(7,537)	117,463	111,072	6,391

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Operation and maintenance Town building/property (continued):					
Water	\$ 8,260	\$ 593	\$ 8,853	\$ 7,962	\$ 891
Sewer use	8,090	1,629	9,719	2,923	6,796
General maintenance	228,000	(12,332)	215,668	207,391	8,277
Street lighting	220,000	-	220,000	207,437	12,563
Total operation and maintenance Town building/property	754,013	(17,374)	736,639	697,220	39,419
Building official:					
Building official	87,541	-	87,541	87,970	(429)
Assistant building official	69,796	-	69,796	69,795	1
Clerical salaries	76,003	-	76,003	78,470	(2,467)
Longevity	475	-	475	475	-
Postage	1,000	-	1,000	1,000	-
Consumable supplies	1,000	-	1,000	1,323	(323)
Reproduction and printing	750	-	750	528	222
Telephone	200	-	200	238	(38)
Equipment	4,000	-	4,000	3,045	955
Professional associations and publications	2,200	-	2,200	145	2,055
Equipment & software support	30,000	-	30,000	3,596	26,404
Clothing allowance	800	-	800	800	-
Training and education	1,500	-	1,500	-	1,500
Furniture and equipment	1	-	1	-	1
Technical assistance	1,000	-	1,000	142	858
Total building official	276,266	-	276,266	247,527	28,739
Water Pollution Control Authority:					
Clerical salaries	81,408	-	81,408	83,169	(1,761)
Longevity	2,245	-	2,245	2,245	-
Consulting services	1,000	-	1,000	-	1,000
Postage	5,200	4,200	9,400	9,400	-
Advertising	500	-	500	-	500
Consumable supplies	2,000	-	2,000	829	1,171
Reproduction and printing	1,500	-	1,500	73	1,427
Telephone	75	-	75	108	(33)
Equipment	6,200	-	6,200	7,368	(1,168)
Total Water Pollution Control Authority	100,128	4,200	104,328	103,192	1,136
Total department of public works	6,829,442	17,269	6,846,711	6,588,362	258,349
Department of public safety:					
Police services:					
Salary of chief	124,489	-	124,489	124,489	-
Salary of captain	115,854	-	115,854	115,854	-
Salary of lieutenants	202,703	-	202,703	202,760	(57)
Salary of sergeants	548,971	-	548,971	559,049	(10,078)
Salary of regular officers	2,344,320	(43,940)	2,300,380	2,099,238	201,142
Janitorial/maintenance salary	85,895	-	85,895	83,932	1,963
Boating safety personnel	17,000	-	17,000	13,405	3,595
Training personnel services	105,000	-	105,000	86,292	18,708
Communications specialist	418,286	-	418,286	397,936	20,350
Communications specialist - overtime	24,000	-	24,000	34,613	(10,613)

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Police services (continued):					
Communications specialist - uniforms	\$ 3,800	\$ -	\$ 3,800	\$ 3,150	\$ 650
Community service officers	25,000	-	25,000	9,978	15,022
Special officers	21,000	(10,000)	11,000	1,753	9,247
Police commission clerical	1,500	-	1,500	1,375	125
School crossing guards	36,000	-	36,000	24,828	11,172
Animal control salaries	66,259	-	66,259	57,995	8,264
School safety personnel	20,500	(10,000)	10,500	-	10,500
Clerical salaries	150,787	-	150,787	151,367	(580)
Police technology specialist	1	-	1	-	1
Regular overtime	160,000	-	160,000	186,186	(26,186)
Paid holidays	185,598	-	185,598	170,884	14,714
Longevity	52,515	-	52,515	50,100	2,415
Accrued leave pay-out	18,118	-	18,118	18,117	1
Postage	1,500	-	1,500	1,518	(18)
Advertising	1,200	-	1,200	925	275
Consumable supplies	15,000	-	15,000	13,769	1,231
Reproduction and printing	5,000	-	5,000	3,678	1,322
Equipment	12,000	-	12,000	11,671	329
Professional associations and publications	1,500	-	1,500	2,034	(534)
Miscellaneous	7,000	-	7,000	7,721	(721)
Canine program	4,400	-	4,400	3,894	506
Service officer's equipment	1,500	-	1,500	885	615
Boating safety expenses	13,000	-	13,000	11,093	1,907
Building maintenance	26,000	-	26,000	39,326	(13,326)
Maintenance/operations/radios	87,000	-	87,000	90,048	(3,048)
Traffic signs and signals	44,000	-	44,000	43,943	57
Law enforcement council	13,520	-	13,520	13,520	-
Drug program	5,500	-	5,500	2,472	3,028
Regular officers - uniforms	28,000	-	28,000	28,111	(111)
Special officers - uniforms	1,000	-	1,000	-	1,000
Outfitting new officers	6,500	-	6,500	5,365	1,135
Furniture and equipment	3,000	-	3,000	2,105	895
Telecommunications	113,000	-	113,000	107,371	5,629
Retirement fund	857,000	-	857,000	786,733	70,267
Physicals	6,000	-	6,000	8,908	(2,908)
Educational incentive	2,500	-	2,500	1,881	619
Postage	100	-	100	100	-
Advertising	370	-	370	-	370
Consumable supplies	300	-	300	145	155
Miscellaneous	750	-	750	1,023	(273)
Consumable supplies	12,000	-	12,000	19,716	(7,716)
Miscellaneous	1,500	-	1,500	-	1,500
Training	18,000	-	18,000	20,044	(2,044)
Telephone	600	-	600	645	(45)
Clothing allowance	1,000	-	1,000	1,000	-
Professional services	2,000	20,000	22,000	5,981	16,019
Building maintenance	2,000	-	2,000	2,148	(148)
Equipment (emergency vehicles)	6,000	-	6,000	6,148	(148)
Unleaded gasoline	75,000	-	75,000	32,428	42,572
Oil and lubrication	3,000	-	3,000	1,263	1,737
Parts and labor	41,000	-	41,000	37,165	3,835
Tires	7,000	-	7,000	6,930	70
Total department of public safety	6,153,336	(43,940)	6,109,396	5,715,008	394,388

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Department of human services:					
Office of human services:					
Human services director	\$ 95,397	\$ -	\$ 95,397	\$ 95,397	\$ -
Social services administrator	69,796	-	69,796	69,464	332
Youth and family services administrator	69,796	-	69,796	67,704	2,092
Human services specialist	57,294	-	57,294	57,828	(534)
Youth services program coordinator	43,020	-	43,020	29,064	13,956
Counseling services	36,000	-	36,000	36,720	(720)
Clerical salaries	30,939	-	30,939	34,407	(3,468)
Longevity	2,600	-	2,600	2,600	-
Community outreach specialist	-	7,500	7,500	-	7,500
Postage	3,500	-	3,500	3,500	-
Consumable supplies	1,500	-	1,500	1,425	75
Telephone	2,200	-	2,200	2,200	-
Equipment	3,000	-	3,000	3,000	-
Reproduction and printing	5,150	-	5,150	5,150	-
Professional associations and publications	1,700	-	1,700	1,443	257
Youth and family services program	8,000	-	8,000	8,007	(7)
General assistance	50,000	-	50,000	27,406	22,594
Furniture and equipment	2,000	-	2,000	1,478	522
Training and education	1,500	-	1,500	60	1,440
Total office of human services	483,392	7,500	490,892	446,853	44,039
Commission on aging:					
Postage	3,000	-	3,000	3,000	-
Reproduction and printing	1,100	-	1,100	1,100	-
Program costs	3,000	-	3,000	2,700	300
Total commission on aging	7,100	-	7,100	6,800	300
Recreation:					
Salary of director	72,951	-	72,951	72,951	-
Recreation program coordinator	40,968	-	40,968	40,946	22
Longevity	250	-	250	250	-
Consumable supplies	3,050	-	3,050	2,977	73
Program expense	7,500	-	7,500	7,500	-
Equipment and trophies	3,200	-	3,200	3,200	-
Parts and labor	4,500	142	4,642	4,972	(330)
Utilities	4,500	-	4,500	4,519	(19)
Professional association / training	1,000	-	1,000	745	255
Total recreation	137,919	142	138,061	138,060	1
Libraries:					
Westerly public library	118,000	-	118,000	118,000	-
Stonington free library	212,000	-	212,000	212,000	-
Mystic and Noank library	111,500	-	111,500	111,500	-
Stonington historical society	5,000	-	5,000	5,000	-
Total libraries	446,500	-	446,500	446,500	-

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Outside agencies:					
Westerly pops concert	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 2,000
Public health and nursing	20,000	-	20,000	20,000	-
Pawcatuck neighborhood center	200,000	-	200,000	200,000	-
Como senior citizens center	82,500	-	82,500	82,500	-
Mystic area shelter and hospital	6,000	-	6,000	6,000	-
Westerly area rest and meal	6,000	-	6,000	6,000	-
Westerly adult day services	10,000	-	10,000	10,000	-
Community vocational services	4,000	-	4,000	4,000	-
T.V.C.C.A.	8,000	-	8,000	8,000	-
Stonington prevention council	1,000	-	1,000	1,000	-
New London homeless hospitality	2,700	-	2,700	2,700	-
Safe futures, inc.	4,000	-	4,000	4,000	-
Sexual assault crisis center	1,000	-	1,000	1,000	-
Stonington cemetery	3,000	-	3,000	3,000	-
Denison Pequotsepos nature center	5,000	-	5,000	5,000	-
Ocean community chamber foundation	2,000	-	2,000	2,000	-
Stanton Davis homestead	3,000	-	3,000	3,000	-
Total outside agencies	360,200	-	360,200	358,200	2,000
Ambulances:					
Stonington ambulance	40,000	-	40,000	40,000	-
Mystic river ambulance	38,500	-	38,500	38,500	-
Westerly ambulance	42,500	-	42,500	42,500	-
Fire department dispatch	36,500	-	36,500	36,367	133
Total ambulances	157,500	-	157,500	157,367	133
Total department of human services	1,592,611	7,642	1,600,253	1,553,780	46,473
Education	37,401,100	-	37,401,100	37,316,909	84,191
Debt service:					
Debt service interest:					
Series 2012 refunding - town	258,207	-	258,207	258,206	1
Series 2013 G.O. bonds	104,450	-	104,450	104,450	-
Series 2014 G.O. bonds	177,725	-	177,725	177,725	-
Series 2016 G.O. bonds - school	397,500	-	397,500	397,500	-
Series 2016 G.O. bonds - Mystic Park	58,400	-	58,400	58,400	-
Series 2017 G.O. bonds - school	655,000	-	655,000	655,000	-
Series 2018 G.O. bonds - school	248,500	-	248,500	248,500	-
Series 2019 G.O. bonds - school	251,334	-	251,334	251,333	1
Series 2019 refunding - (WPCA)	275,700	-	275,700	275,700	-
Capital leases	21,576	-	21,576	18,009	3,567
Total debt service interest	2,448,392	-	2,448,392	2,444,823	3,569

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Debt service principal:					
Series 2012 refunding - town	\$ 1,595,000	\$ -	\$ 1,595,000	\$ 1,595,000	\$ -
Series 2013 G.O. bonds	215,000	-	215,000	215,000	-
Series 2014 G.O. bonds	415,000	-	415,000	415,000	-
Series 2016 G.O. bonds - school	750,000	-	750,000	750,000	-
Series 2016 G.O. bonds - Mystic Park	115,000	-	115,000	115,000	-
Series 2017 G.O. bonds - school	1,000,000	-	1,000,000	1,000,000	-
Series 2018 G.O. bonds - school	350,000	-	350,000	350,000	-
Series 2019 G.O. bonds - school	260,000	-	260,000	260,000	-
Series 2019 refunding - (WPCA)	505,000	-	505,000	505,000	-
Capital leases	423,423	-	423,423	414,629	8,794
Bonding costs	6,000	-	6,000	2,250	3,750
Total debt service principal	5,634,423	-	5,634,423	5,621,879	12,544
Total debt service	8,082,815	-	8,082,815	8,066,702	16,113
Total expenditures	68,691,181	(488,445)	68,202,736	67,108,551	1,094,185
Other financing uses:					
Transfers out:					
Miscellaneous fund	168,483	-	168,483	168,483	-
Capital nonrecurring fund	2,438,631	560,239	2,998,870	2,998,870	-
Sewer usage fund	250,000	-	250,000	250,000	-
Total other financing uses	2,857,114	560,239	3,417,353	3,417,353	-
Total expenditures and other financing uses	\$ 71,548,295	\$ 71,794	\$ 71,620,089	\$ 70,525,904	\$ 1,094,185

(Concluded)

Town of Stonington, Connecticut

General Fund
Education Department
Schedule of Expenditures and Other Financing Uses -
Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Building admin salary	\$ 2,060,435	\$ -	\$ 2,060,435	\$ 2,057,802	\$ 2,633
Teacher salary	14,609,682	-	14,609,682	14,528,354	81,328
Building admin secretary salary	1,008,801	-	1,008,801	1,019,257	(10,456)
Maintenance/custodial salary	1,296,230	-	1,296,230	1,319,197	(22,967)
Nurse salary	312,976	-	312,976	449,439	(136,463)
Aide salary	1,760,608	-	1,760,608	1,721,133	39,475
Noncertified professionals	666,935	-	666,935	690,922	(23,987)
Food service salary	-	-	-	127,371	(127,371)
Substitute/temp instructor salary	304,566	-	304,566	288,272	16,294
Substitute secretary salary	16,000	-	16,000	357	15,643
Substitute maintenance/custodial salary	49,535	-	49,535	16,961	32,574
Health services PT/substitute nurse	140,021	-	140,021	18,473	121,548
Substitute instructor aide	45,100	-	45,100	43,961	1,139
Extra curricular/athletics/curriculum	457,273	-	457,273	368,123	89,150
Secretary overtime	10,500	-	10,500	10,149	351
Custodial/maintenance overtime salary	29,870	-	29,870	51,806	(21,936)
Health services nurse overtime	-	-	-	2,802	(2,802)
Aide overtime	-	-	-	528	(528)
Tutor	146,700	-	146,700	71,305	75,395
OPEB benefits	-	-	-	125,991	(125,991)
Health insurance	4,192,409	-	4,192,409	4,423,488	(231,079)
Flex plan	18,000	-	18,000	-	18,000
Life insurance	35,000	-	35,000	32,257	2,743
Long-term disability insurance	7,700	-	7,700	5,980	1,720
Pension	507,323	-	507,323	493,143	14,180
FICA	268,774	-	268,774	262,706	6,068
Medicare	340,157	-	340,157	327,364	12,793
Workers compensation	169,650	-	169,650	169,650	-
Unemployment	81,916	-	81,916	9,503	72,413
Course credit	33,200	-	33,200	12,154	21,046
Retirement	-	-	-	32,000	(32,000)
Student enrichment	16,950	-	16,950	11,877	5,073
Professional development instructor consultant	31,800	-	31,800	28,649	3,151
Professional tech	177,337	-	177,337	149,418	27,919
Other professional and tech services	457,625	-	457,625	535,301	(77,676)
In town travel	17,700	-	17,700	3,369	14,331
Referees	44,773	-	44,773	23,098	21,675
Police services	55,200	-	55,200	12,926	42,274
Public utility	913,758	-	913,758	1,007,650	(93,892)
Repairs and maintenance	454,705	-	454,705	867,109	(412,404)
Rentals	83,578	-	83,578	35,468	48,110
Regular bus transportation	1,535,493	-	1,535,493	1,213,134	322,359
Special needs transportation	367,449	-	367,449	217,432	150,017
Field trips	89,277	-	89,277	41,575	47,702
Property and liability insurance	297,376	-	297,376	261,584	35,792

(Continued)

Town of Stonington, Connecticut

General Fund
Education Department
Schedule of Expenditures and Other Financing Uses -
Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Communication	\$ 136,152	\$ -	\$ 136,152	\$ 141,120	\$ (4,968)
Advertising	2,500	-	2,500	1,471	1,029
Printing and binding	13,174	-	13,174	6,656	6,518
Tuition	2,420,716	-	2,420,716	2,256,423	164,293
Public tuition	-	-	-	409,523	(409,523)
Conferences	71,650	-	71,650	42,072	29,578
Noninstructional supplies	90,490	-	90,490	202,918	(112,428)
Instructional supplies	268,120	-	268,120	257,884	10,236
Technical supplies	1,200	-	1,200	836	364
Maintenance supplies	251,250	-	251,250	218,145	33,105
Transportation fuel	181,167	-	181,167	42,927	138,240
Heat energy	366,049	-	366,049	173,751	192,298
Bid supplies	69,000	-	69,000	67,525	1,475
Classroom books	47,412	-	47,412	31,200	16,212
Library and media books	8,500	-	8,500	8,322	178
Professional materials	16,400	-	16,400	18,962	(2,562)
New equipment instructional	27,590	-	27,590	35,383	(7,793)
New equipment noninstructional	14,500	-	14,500	19,693	(5,193)
Replacement equipment instructional	59,200	-	59,200	106,262	(47,062)
Replacement equipment non-instructional	20,800	-	20,800	11,711	9,089
Dues and fees	84,928	-	84,928	55,803	29,125
Curriculum technical/licenses	137,920	-	137,920	119,284	18,636
Total expenditures	<u>\$ 37,401,100</u>	<u>\$ -</u>	<u>\$ 37,401,100</u>	<u>\$ 37,316,909</u>	<u>\$ 84,191</u>

(Concluded)

Sewer Usage Fund

WPCA

Accounts for the wastewater treatment plant operations and infrastructure. It is independent in terms of its relationship to other Town functions. Its operations are financed from special assessments and direct charges to the users of the service.

Town of Stonington, Connecticut

Sewer Usage Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021

	Sewer Usage Fund
Revenues:	
Charges for services	\$ 2,657,268
Interest and lien fees	94,141
Nitrogen credits	4,216
Miscellaneous	2,026
	<hr/>
Total revenues	2,757,651
	<hr/>
Expenditures:	
Salary	101,472
Contract operations - plant	2,493,412
Contract operations - MRRA	155,666
Call before you dig - mark out	41,475
Repair and maintenance equipment	37,622
Manholes	24,025
Fees and permits	10,864
Copier	2,195
Sewer inspection and cleaning	4,327
Sewer repairs	3,448
Professional services	4,293
Miscellaneous	20,694
	<hr/>
Total expenditures	2,899,493
	<hr/>
Excess (deficiency) of revenues over expenditures	(141,842)
Other financing sources (uses):	
Transfers in	504,000
	<hr/>
Net change in fund balance	362,158
Fund balance - July 1, 2020	93,076
	<hr/>
Fund balance - June 30, 2021	\$ 455,234
	<hr/> <hr/>

Other Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted, committed, or assigned to expenditures for particular purposes.

Fund	Funding Source	Function
Sewer Assessment Fund	Charges for services	Sewer maintenance
Shellfish Fund	Charges for services	Fund costs for recreation programs
Town Aid Road Fund	State grants	Public works programs
Dog License Fund	Licenses and fees	Animal control program
SNEFLA Reserve Fund	Charges for services	Town dock maintenance
Youth Service Activity Fund	Charges for services	Youth programs
Community Development Block Grant Fund	State and Federal grants	Account for housing programs
Planning and Development Grant Fund	State and Federal grants	Projects or improvements as determined by the Board of Finance
Recreation Commission Fund	Charges for services	Fund costs for recreation programs
Sewer Infiltration Fund	Use of money and property	Sewer maintenance
Sewer Development and Maintenance Fund	Charges for services	Sewer maintenance
Human Services Grant Fund	State and Federal grants	Human service programs
Prepaid Education Grants Fund	State and Federal grants	Education programs
Hot Lunch Program Fund	Sale of food and grants	School lunch and breakfast program
School Activity Fund	Activity fees and contributions	To account for student activity funds and school scholarships
Miscellaneous Fund	Grants and charges for services	Police outside services and other grant programs
Stonington Harbor Management Fund	Charges for services	Fund costs for recreation programs
Mystic Harbor Management Fund	Charges for services	Fund costs for recreation programs

Capital Projects Funds

Capital projects funds are used to account for acquisition and construction of major capital assets other than those financed by proprietary and trust funds.

Fund	Funding Source	Function
Pre K-5 School Construction Fund	Grants and bonds	Renovation and expansion of West, Vine Street, and Deans Mill elementary schools

Town of Stonington, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2021

		Special Revenue Funds						
		Sewer Assessment Fund	Shellfish Fund	Town Aid Road Fund	Dog License Fund	SNEFLA Reserve Fund	Youth Service Activity Fund	Community Development Block Grant Fund
<u>Assets</u>								
Cash	\$ 29,693	\$ 37,977	\$ -	\$ 22,976	\$ 128,382	\$ 238,961	\$ 36,104	
Investments	-	-	-	-	-	-	-	
Receivables (net):								
Loans	-	-	-	-	-	-	186,204	
Assessments/use charges	1,657	-	-	-	-	-	-	
Intergovernmental	-	-	-	-	-	-	323,330	
Other	-	-	-	-	-	1,419	-	
Due from other funds	-	-	490,034	-	-	10,702	-	
Total assets	<u>\$ 31,350</u>	<u>\$ 37,977</u>	<u>\$ 490,034</u>	<u>\$ 22,976</u>	<u>\$ 128,382</u>	<u>\$ 251,082</u>	<u>\$ 545,638</u>	
<u>Liabilities</u>								
Accounts payable	\$ -	\$ 138	\$ -	\$ -	\$ -	\$ 131	\$ 216,226	
Retainage payable	-	-	-	-	-	-	-	
Due to other funds	-	630	-	2,619	-	24,685	107,103	
Unearned revenue	-	-	-	-	-	-	-	
Total liabilities	<u>-</u>	<u>768</u>	<u>-</u>	<u>2,619</u>	<u>-</u>	<u>24,816</u>	<u>323,329</u>	
<u>Deferred Inflows of Resources</u>								
Unavailable revenue- assessments/use charges	<u>1,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>Fund Balances</u>								
Restricted	29,693	-	490,034	-	-	-	222,309	
Committed	-	37,209	-	-	128,382	226,266	-	
Assigned	-	-	-	20,357	-	-	-	
Total fund balances	<u>29,693</u>	<u>37,209</u>	<u>490,034</u>	<u>20,357</u>	<u>128,382</u>	<u>226,266</u>	<u>222,309</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,350</u>	<u>\$ 37,977</u>	<u>\$ 490,034</u>	<u>\$ 22,976</u>	<u>\$ 128,382</u>	<u>\$ 251,082</u>	<u>\$ 545,638</u>	

(Continued)

Town of Stonington, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2021

Special Revenue Funds

	Planning and Development Grant Fund	Recreation Commission Fund	Sewer Infiltration Fund	Sewer Development and Maintenance Fund	Human Services Grant Fund	Prepaid Education Grants Fund	Hot Lunch Program Fund
<u>Assets</u>							
Cash	\$ -	\$ 226,190	\$ 31,603	\$ 1,768,647	\$ -	\$ 373,356	\$ 35,729
Investments	-	-	-	-	-	-	-
Receivables (net):							
Loans	-	-	-	-	-	-	-
Assessments/use charges	-	-	-	-	-	-	-
Intergovernmental	1,200	-	-	-	-	-	100,786
Other	-	215	-	-	-	-	-
Due from other funds	2,726,400	24,685	-	-	58,079	-	-
Total assets	<u>\$ 2,727,600</u>	<u>\$ 251,090</u>	<u>\$ 31,603</u>	<u>\$ 1,768,647</u>	<u>\$ 58,079</u>	<u>\$ 373,356</u>	<u>\$ 136,515</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ 3,888	\$ -	\$ -	\$ 5,880	\$ 4,978	\$ 32,123
Retainage payable	-	-	-	-	-	-	-
Due to other funds	-	123,584	-	2,303	5,634	197,823	-
Unearned revenue	4,625	-	-	-	28,092	169,177	13,021
Total liabilities	<u>4,625</u>	<u>127,472</u>	<u>-</u>	<u>2,303</u>	<u>39,606</u>	<u>371,978</u>	<u>45,144</u>
<u>Deferred Inflows of Resources</u>							
Unavailable revenue- assessments/use charges	-	-	-	-	-	-	-
<u>Fund Balances</u>							
Restricted	-	-	-	1,766,344	18,473	-	91,371
Committed	2,615,463	123,618	31,603	-	-	1,378	-
Assigned	107,512	-	-	-	-	-	-
Total fund balances	<u>2,722,975</u>	<u>123,618</u>	<u>31,603</u>	<u>1,766,344</u>	<u>18,473</u>	<u>1,378</u>	<u>91,371</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,727,600</u>	<u>\$ 251,090</u>	<u>\$ 31,603</u>	<u>\$ 1,768,647</u>	<u>\$ 58,079</u>	<u>\$ 373,356</u>	<u>\$ 136,515</u>

(Continued)

Town of Stonington, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2021

Special Revenue Funds

	School Activity Fund	Miscellaneous Fund	Stonington Harbor Management Fund	Mystic Harbor Management Fund	Total	Pre K-5 School Construction Fund	Total Other Governmental Funds
<u>Assets</u>							
Cash	\$ 499,893	\$ 766,708	\$ 300	\$ -	\$ 4,196,519	\$ -	\$ 4,196,519
Investments	225,168	-	-	-	225,168	-	225,168
Receivables (net):							
Loans	-	-	-	-	186,204	-	186,204
Assessments/use charges	-	-	-	-	1,657	-	1,657
Intergovernmental	-	29,733	-	-	455,049	-	455,049
Other	-	64,581	-	-	66,215	-	66,215
Due from other funds	-	415,295	59,439	63,140	3,847,774	1,660,250	5,508,024
Total assets	<u>\$ 725,061</u>	<u>\$ 1,276,317</u>	<u>\$ 59,739</u>	<u>\$ 63,140</u>	<u>\$ 8,978,586</u>	<u>\$ 1,660,250</u>	<u>\$ 10,638,836</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 263,364	\$ 390	\$ 263,754
Retainage payable	-	-	-	-	-	1,143,379	1,143,379
Due to other funds	-	-	-	-	464,381	-	464,381
Unearned revenue	-	13,525	-	-	228,440	-	228,440
Total liabilities	<u>-</u>	<u>13,525</u>	<u>-</u>	<u>-</u>	<u>956,185</u>	<u>1,143,769</u>	<u>2,099,954</u>
<u>Deferred Inflows of Resources</u>							
Unavailable revenue- assessments/use charges	-	-	-	-	1,657	-	1,657
<u>Fund Balances</u>							
Restricted	-	21,737	-	-	2,639,961	-	2,639,961
Committed	725,061	-	-	-	3,888,980	516,481	4,405,461
Assigned	-	1,241,055	59,739	63,140	1,491,803	-	1,491,803
Total fund balances	<u>725,061</u>	<u>1,262,792</u>	<u>59,739</u>	<u>63,140</u>	<u>8,020,744</u>	<u>516,481</u>	<u>8,537,225</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 725,061</u>	<u>\$ 1,276,317</u>	<u>\$ 59,739</u>	<u>\$ 63,140</u>	<u>\$ 8,978,586</u>	<u>\$ 1,660,250</u>	<u>\$ 10,638,836</u>

(Concluded)

Town of Stonington, Connecticut

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2021

Special Revenue Funds

	Sewer Assessment Fund	Shellfish Fund	Town Aid Road Fund	Dog License Fund	SNEFLA Reserve Fund	Youth Service Activity Fund	Community Development Block Grant Fund
Revenues:							
Intergovernmental	\$ -	\$ -	\$ 298,743	\$ -	\$ -	\$ -	\$ 323,330
Charges for services	-	10,054	-	6,978	12,500	67,005	-
Use of money and property	-	49	-	-	227	316	39
Other	-	-	-	-	-	-	-
Total revenues	-	10,103	298,743	6,978	12,727	67,321	323,369
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public works	-	-	271,179	-	-	-	-
Public safety	-	-	-	17,439	-	-	-
Human services	-	-	-	-	-	50,469	323,330
Recreation	-	10,401	-	-	-	-	-
Education	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	-	10,401	271,179	17,439	-	50,469	323,330
Excess (deficiency) of revenues over expenditures	-	(298)	27,564	(10,461)	12,727	16,852	39
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(93,953)	-	-
Net other financing sources (uses)	-	-	-	-	(93,953)	-	-
Net change in fund balances	-	(298)	27,564	(10,461)	(81,226)	16,852	39
Fund balances - July 1, 2020 (as restated)	29,693	37,507	462,470	30,818	209,608	209,414	222,270
Fund balances - June 30, 2021	\$ 29,693	\$ 37,209	\$ 490,034	\$ 20,357	\$ 128,382	\$ 226,266	\$ 222,309

(Continued)

Town of Stonington, Connecticut

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2021

Special Revenue Funds

	Planning and Development Grant Fund	Recreation Commission Fund	Sewer Infiltration Fund	Sewer Development and Maintenance Fund	Human Services Grant Fund	Prepaid Education Grants Fund	Hot Lunch Program Fund
Revenues:							
Intergovernmental	\$ 2,630,463	\$ -	\$ -	\$ -	\$ 23,635	\$ 2,370,039	\$ 477,962
Charges for services	-	210,816	-	120,027	-	-	21,399
Use of money and property	-	48	34	2,134	-	-	-
Other	-	1,729	-	-	-	-	-
Total revenues	<u>2,630,463</u>	<u>212,593</u>	<u>34</u>	<u>122,161</u>	<u>23,635</u>	<u>2,370,039</u>	<u>499,361</u>
Expenditures:							
Current:							
General government	15,000	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Human services	-	-	-	-	19,302	-	-
Recreation	-	140,749	-	-	-	-	-
Education	-	-	-	-	-	2,369,835	455,623
Capital outlay	-	-	-	4,788	-	-	-
Total expenditures	<u>15,000</u>	<u>140,749</u>	<u>-</u>	<u>4,788</u>	<u>19,302</u>	<u>2,369,835</u>	<u>455,623</u>
Excess (deficiency) of revenues over expenditures	<u>2,615,463</u>	<u>71,844</u>	<u>34</u>	<u>117,373</u>	<u>4,333</u>	<u>204</u>	<u>43,738</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(254,000)	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(254,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,615,463	71,844	34	(136,627)	4,333	204	43,738
Fund balances - July 1, 2020 (as restated)	<u>107,512</u>	<u>51,774</u>	<u>31,569</u>	<u>1,902,971</u>	<u>14,140</u>	<u>1,174</u>	<u>47,633</u>
Fund balances - June 30, 2021	<u>\$ 2,722,975</u>	<u>\$ 123,618</u>	<u>\$ 31,603</u>	<u>\$ 1,766,344</u>	<u>\$ 18,473</u>	<u>\$ 1,378</u>	<u>\$ 91,371</u>

(Continued)

Town of Stonington, Connecticut

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2021

Special Revenue Funds

	School Activity Fund	Miscellaneous Fund	Stonington Harbor Management Fund	Mystic Harbor Management Fund	Total	Pre K-5 School Construction Fund	Total Other Governmental Funds
Revenues:							
Intergovernmental	\$ -	\$ 275,670	\$ -	\$ -	\$ 6,399,842	\$ -	\$ 6,399,842
Charges for services	521,302	344,519	25,287	15,610	1,355,497	-	1,355,497
Use of money and property	-	1,431	-	-	4,278	8,874	13,152
Other	-	-	100	-	1,829	-	1,829
Total revenues	521,302	621,620	25,387	15,610	7,761,446	8,874	7,770,320
Expenditures:							
Current:							
General government	-	10,344	-	-	25,344	-	25,344
Public works	-	-	-	-	271,179	-	271,179
Public safety	-	446,265	-	-	463,704	-	463,704
Human services	-	-	-	-	393,101	-	393,101
Recreation	-	-	26,408	4,867	182,425	-	182,425
Education	506,116	46,775	-	-	3,378,349	-	3,378,349
Capital outlay	-	5,639	-	-	10,427	1,432,411	1,442,838
Total expenditures	506,116	509,023	26,408	4,867	4,724,529	1,432,411	6,156,940
Excess (deficiency) of revenues over expenditures	15,186	112,597	(1,021)	10,743	3,036,917	(1,423,537)	1,613,380
Other financing sources (uses):							
Transfers in	-	168,483	-	-	168,483	-	168,483
Transfers out	-	-	-	-	(347,953)	-	(347,953)
Net other financing sources (uses)	-	168,483	-	-	(179,470)	-	(179,470)
Net change in fund balances	15,186	281,080	(1,021)	10,743	2,857,447	(1,423,537)	1,433,910
Fund balances - July 1, 2020 (as restated)	709,875	981,712	60,760	52,397	5,163,297	1,940,018	7,103,315
Fund balances - June 30, 2021	\$ 725,061	\$ 1,262,792	\$ 59,739	\$ 63,140	\$ 8,020,744	\$ 516,481	\$ 8,537,225

(Concluded)

Internal Service Funds

Internal Service funds are used to account for the providing of goods or services provided by one department to other departments of the Town on a cost reimbursement basis or accounting for risk retention.

Fund	Function
Town Medical Fund	To account for medical claims of the Town employees.
Town Dock Fund	To account for the general liability and property damage claims for the Town's dock.

Town of Stonington, Connecticut

Internal Service Funds
Combining Schedule of Net Position
June 30, 2021

	<u>Town Medical Fund</u>	<u>Town Dock Fund</u>	<u>Total</u>
<u>Assets</u>			
Current assets:			
Cash	\$ 5,814,684	\$ 884,080	\$ 6,698,764
Account receivable	31,630	-	31,630
Due from other funds	<u>213,923</u>	<u>90,000</u>	<u>303,923</u>
Total current assets	<u>6,060,237</u>	<u>974,080</u>	<u>7,034,317</u>
<u>Liability</u>			
Current liability:			
Claims payable	<u>382,000</u>	<u>-</u>	<u>382,000</u>
<u>Net Position</u>			
Unrestricted	<u><u>\$ 5,678,237</u></u>	<u><u>\$ 974,080</u></u>	<u><u>\$ 6,652,317</u></u>

Town of Stonington, Connecticut

Internal Service Funds
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2021

	<u>Town Medical Fund</u>	<u>Town Dock Fund</u>	<u>Total</u>
Operating revenues:			
Charges for services	<u>\$ 7,365,169</u>	<u>\$ 90,000</u>	<u>\$ 7,455,169</u>
Operating expenses:			
Claims	5,298,454	-	5,298,454
Administration and insurance	<u>1,535,883</u>	<u>-</u>	<u>1,535,883</u>
Total operating expenses	<u>6,834,337</u>	<u>-</u>	<u>6,834,337</u>
Operating income (loss)	530,832	90,000	620,832
Nonoperating revenues:			
Income from investments	<u>8,865</u>	<u>1,592</u>	<u>10,457</u>
Change in net position	539,697	91,592	631,289
Net position - July 1, 2020	<u>5,138,540</u>	<u>882,488</u>	<u>6,021,028</u>
Net position - June 30, 2021	<u><u>\$ 5,678,237</u></u>	<u><u>\$ 974,080</u></u>	<u><u>\$ 6,652,317</u></u>

Town of Stonington, Connecticut

Internal Service Funds
Combining Schedule of Cash Flows
For the Year Ended June 30, 2021

	<u>Town Medical Fund</u>	<u>Town Dock Fund</u>	<u>Total</u>
Cash flows from (used in) operating activities:			
Cash received for premiums	\$ 7,450,646	\$ 150,000	\$ 7,600,646
Cash paid for claims	(5,259,454)	-	(5,259,454)
Cash paid for administration and insurance	<u>(1,535,883)</u>	<u>-</u>	<u>(1,535,883)</u>
Net cash from (used in) operating activities	655,309	150,000	805,309
Cash flows from (used in) investing activities:			
Income from investments	<u>8,865</u>	<u>1,592</u>	<u>10,457</u>
Net increase (decrease) in cash	664,174	151,592	815,766
Cash - July 1, 2020	<u>5,150,510</u>	<u>732,488</u>	<u>5,882,998</u>
Cash - June 30, 2021	<u><u>\$ 5,814,684</u></u>	<u><u>\$ 884,080</u></u>	<u><u>\$ 6,698,764</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:			
Operating income (loss)	\$ 530,832	\$ 90,000	\$ 620,832
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:			
(Increase) decrease in:			
Accounts receivable	(16,622)	-	(16,622)
Due from other funds	102,099	60,000	162,099
Increase (decrease) in:			
Claims payable	<u>39,000</u>	<u>-</u>	<u>39,000</u>
Net cash from (used in) operating activities	<u><u>\$ 655,309</u></u>	<u><u>\$ 150,000</u></u>	<u><u>\$ 805,309</u></u>

Trend Information

This part of the Town's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Table	Description
Financial Trends (Tables 1-4)	These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.
Debt Capacity (Table 5)	This schedule presents information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the fiscal year.

Town of Stonington, Connecticut

Net Position by Component
Governmental Activities
Last Ten Years
(Unaudited)

June 30

	2021	2020 (as restated)	2019	2018	2017	2016	2015	2014	2013	2012
Net investment in capital assets	\$ 118,360,803	\$ 114,933,273	\$ 114,079,006	\$ 91,526,714	\$ 90,224,341	\$ 90,575,409	\$ 88,407,197	\$ 89,847,001	\$ 92,169,328	\$ 89,588,921
Restricted for:										
Public safety	21,737	25,003	9,679	9,036	7,469	5,133	5,125	5,822	5,146	5,145
Highway department	490,034	462,470	308,837	333,087	410,392	593,636	280,488	280,488	289,784	161,772
Sanitation and waste removal	2,251,271	2,025,740	2,154,209	1,806,219	1,130,388	888,463	181,673	215,378	203,662	120,534
Human services	18,473	14,140	15,141	8,606	8,949	10,328	10,133	8,933	18,031	5,934
Housing rehabilitation programs	222,309	222,270	222,051	2,321	-	-	-	-	-	-
Education	91,371	47,633	76,560	66,771	13,623	58,858	106,255	127,699	139,827	141,620
Unrestricted	22,989,475	16,652,354	11,584,828	32,378,538	20,367,243	16,652,354	24,812,582	21,079,550	21,431,285	21,800,934
Total net position	<u>\$ 144,445,473</u>	<u>\$ 134,382,883</u>	<u>\$ 128,450,311</u>	<u>\$ 126,131,292</u>	<u>\$ 112,162,405</u>	<u>\$ 108,784,181</u>	<u>\$ 113,803,453</u>	<u>\$ 111,564,871</u>	<u>\$ 114,257,063</u>	<u>\$ 111,824,860</u>

Source: Current and prior year financial statements.

Table 2

Town of Stonington, Connecticut

**Changes in Net Position
Governmental Activities
Last Ten Years
(Unaudited)**

For the Year Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
General government	\$ 6,500,728	\$ 7,174,167	\$ 6,671,051	\$ 6,413,843	\$ 6,970,251	\$ 7,405,330	\$ 6,544,315	\$ 6,608,931	\$ 5,778,038	\$ 5,012,446
Public works	12,355,983	11,554,946	11,885,939	10,796,863	11,276,165	10,648,589	10,452,637	10,968,077	9,963,077	9,679,115
Public safety	8,369,450	9,002,428	13,762,509	7,554,488	5,436,321	6,772,583	5,665,553	5,422,414	5,521,224	5,581,519
Human services	957,182	548,536	635,426	647,978	1,357,983	664,788	471,882	494,100	509,893	569,571
Social services	365,000	347,892	320,180	311,925	294,958	271,266	255,329	231,229	210,131	207,965
Recreation	320,485	348,942	426,209	311,665	250,966	274,055	185,163	171,977	174,252	297,402
Libraries	446,500	346,500	330,500	330,500	329,500	319,500	304,810	284,810	284,810	269,810
Education	45,796,551	47,386,880	48,294,352	47,503,219	44,882,290	42,323,983	42,278,343	40,881,875	38,918,207	37,414,978
Interest	2,312,194	2,778,496	2,276,018	2,317,055	2,112,956	1,290,904	1,494,879	1,326,010	1,473,813	888,461
Total expenses	77,424,073	79,488,787	84,602,184	76,187,536	72,911,390	69,970,998	67,652,911	66,389,423	62,833,445	59,921,267
Program revenues:										
Charges for services										
General government	1,524,354	1,096,361	1,101,618	1,067,646	888,589	1,154,923	729,068	851,715	750,359	711,631
Public works	5,152,965	4,926,378	5,179,984	4,318,929	4,386,139	4,331,319	4,245,079	4,123,054	4,290,346	4,230,909
Public safety	458,484	721,416	542,641	512,811	400,093	420,309	49,590	113,262	112,167	77,259
Human services	-	-	-	-	-	97,750	79,759	96,818	74,649	96,865
Recreation	251,713	147,756	276,539	257,906	149,830	137,230	111,142	127,833	96,406	113,050
Education	662,798	427,260	539,896	546,508	605,623	503,657	526,982	607,743	675,144	601,777
Operating grants and contribution:	9,494,376	9,428,116	8,966,367	10,719,048	7,911,926	6,731,104	6,542,596	8,208,821	7,746,843	7,436,627
Capital grants and contribution:	3,092,704	1,307,490	5,744,491	10,284,845	1,676,993	427,362	200,392	403,710	647,508	425,334
Total program revenue:	20,637,394	18,054,777	22,351,536	27,707,693	16,019,193	13,803,654	12,484,608	14,532,956	14,393,422	13,693,452
Net expenses	(56,786,679)	(61,434,010)	(62,250,648)	(48,479,843)	(56,892,197)	(56,167,344)	(55,168,303)	(51,856,467)	(48,440,023)	(46,227,815)
General revenues										
Property taxes:	66,413,590	65,709,951	63,416,118	61,540,895	58,995,604	56,279,632	53,659,623	51,881,485	50,686,298	49,810,644
Grants and contributions not restricted to specific programs	285,767	300,052	337,430	322,486	461,343	357,458	294,518	417,790	-	-
Income from investments:	146,057	543,545	765,680	481,983	155,775	138,095	194,228	196,867	171,959	167,948
Other	3,855	103,159	50,439	103,366	42,828	48,953	16,464	58,151	13,969	56,273
Total general revenue:	66,849,269	66,656,707	64,569,667	62,448,730	59,655,550	56,824,138	54,164,833	52,554,293	50,872,226	50,034,865
Change in net position	\$ 10,062,590	\$ 5,222,697	\$ 2,319,019	\$ 13,968,887	\$ 2,763,353	\$ 656,794	\$ (1,003,470)	\$ 697,826	\$ 2,432,203	\$ 3,807,050

Source: Current and prior year financial statements:

Table 3

Town of Stonington, Connecticut

General Fund (Budgetary Basis)
Changes in Fund Balances
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Property taxes	\$ 66,693,136	\$ 65,588,819	\$ 63,288,219	\$ 61,609,175	\$ 59,233,240	\$ 56,448,889	\$ 53,836,879	\$ 51,736,929	\$ 50,793,373	\$ 49,741,364
Intergovernmental	1,483,619	1,635,261	1,668,519	1,748,768	2,152,136	2,360,642	2,332,701	2,753,590	2,616,721	2,485,730
Charges for services	3,910,700	3,528,921	3,453,632	3,361,262	2,947,780	3,427,219	2,746,774	2,902,421	2,851,363	2,032,339
Use of money and property	109,400	337,567	465,373	233,808	141,033	127,388	189,134	195,066	167,220	163,222
Total revenues	72,196,855	71,090,568	68,875,743	66,953,013	64,474,189	62,364,138	59,105,488	57,588,006	56,428,677	54,422,655
Expenditures										
Current										
General government	7,599,962	6,926,304	7,535,581	6,586,948	6,542,926	6,902,443	6,330,862	6,383,053	6,170,071	6,216,854
Public works	6,588,362	6,229,422	6,123,062	5,857,109	5,797,415	5,663,350	5,783,263	5,484,391	5,452,132	6,175,603
Public safety	5,872,375	5,953,364	5,693,514	5,345,573	5,043,119	4,920,117	4,617,634	4,375,109	4,406,245	4,265,814
Human services	446,853	404,303	435,920	422,784	401,274	376,811	346,337	341,953	362,341	392,428
Social services	365,000	347,892	320,180	311,925	294,958	271,266	255,329	231,229	210,131	207,965
Recreation	138,060	129,388	121,425	112,830	99,579	96,547	86,893	96,423	92,531	112,897
Libraries	446,500	346,500	330,500	330,500	329,500	319,500	304,810	284,810	284,810	269,810
Payments to other civic divisions	267,828	206,885	192,950	187,677	197,370	172,177	175,700	221,747	153,473	167,581
Education	37,316,909	37,004,394	37,846,903	37,020,623	35,991,573	35,283,536	34,237,211	33,709,980	32,953,922	31,758,513
Debt service	8,066,702	8,883,160	8,140,981	6,358,706	5,004,612	5,129,384	4,738,573	4,631,674	4,689,081	4,047,096
Total expenditures	67,108,551	66,431,612	66,741,016	62,534,675	59,702,326	59,135,131	56,876,612	55,760,369	54,774,737	53,614,561
Excess (deficiency) of revenues over expenditures	5,088,304	4,658,956	2,134,727	4,418,338	4,771,863	3,229,007	2,228,876	1,827,637	1,653,940	808,094.0
Other financing sources (uses)										
Cancellation of prior year encumbrances	17,863	257,377	93,845	12,066	55,235	17,919	65,020	36,884	40,439	13,621
Sale of capital assets	-	200	500	-	-	-	-	-	-	-
Transfers in	31,794	-	45,000	45,000	45,000	45,000	45,000	-	45,000	-
Transfers out	(3,417,353)	(5,551,116)	(3,142,819)	(3,791,032)	(3,562,792)	(2,149,561)	(1,665,122)	(2,453,712)	(1,263,733)	(1,361,315)
Net other financing sources (uses)	(3,367,696)	(5,293,539)	(3,003,474)	(3,733,966)	(3,462,557)	(2,086,642)	(1,555,102)	(2,416,828)	(1,178,294)	(1,347,694)
Net change in fund balances	\$ 1,720,608	\$ (634,583)	\$ (868,747)	\$ 684,372	\$ 1,309,306	\$ 1,142,365	\$ 673,774	\$ (589,191)	\$ 475,646	\$ (539,600)
Debt service as a percentage of expenditures	12.02%	13.37%	12.20%	10.17%	8.38%	8.67%	8.33%	8.31%	8.56%	7.55%

Source: Current and prior year financial statements.

Table 4**Town of Stonington, Connecticut****Property Tax Rates, Levies and Collections
Last Ten Years
(Unaudited)**

<u>Year Ended June 30</u>	<u>Grand List of October 1,</u>	<u>(1) Tax Rate in Mills</u>	<u>Total Adjusted Tax Levy</u>	<u>Net Tax Collections</u>	<u>Percent of Levy Collected</u>
2012	2010	15.63	\$ 49,487,774	\$ 48,750,829	98.51%
2013	2011	15.89	50,579,257	50,005,838	98.87%
2014	2012	19.88	51,505,144	50,986,927	98.99%
2015	2013	20.43	53,310,452	52,721,144	98.89%
2016	2014	21.32	56,039,548	55,329,813	98.73%
2017	2015	22.31	58,791,362	58,263,288	99.10%
2018	2016	22.98	61,137,740	60,734,560	99.34%
2019	2017	22.68	63,007,353	62,690,691	99.50%
2020	2018	23.36	65,491,378	65,043,188	99.32%
2021	2019	23.36	66,157,574	65,966,464	99.71%

Source: Tax Collector and current and prior year financial statements

Notes:

(1) Tax levy is per \$1,000 of the assessed value of taxable property.

Town of Stonington, Connecticut
Schedule of Debt Limitation
Connecticut General Statutes, Section 7-374 (b)
As of and for the year ended June 30, 2021
(Unaudited)

Base:

Total tax collections (including interest and lien fees) for prior year \$ 65,509,901

Total tax collections (including interest and lien fees) for prior year
of the Borough and all other taxing districts within the Town 6,035,678

Base for debt limitation computation \$ 71,545,579

Debt limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base	\$ 160,977,553	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	321,955,106	-	-	-
3 3/4 times base	-	-	268,295,921	-	-
3 1/4 times base	-	-	-	232,523,132	-
3 times base	-	-	-	-	214,636,737
Total debt limitation	<u>160,977,553</u>	<u>321,955,106</u>	<u>268,295,921</u>	<u>232,523,132</u>	<u>214,636,737</u>
Indebtedness:					
Bonds payable	5,788,926	46,348,074	19,923,000	-	-
Fire district debt	<u>1,488,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net indebtedness	<u>7,277,145</u>	<u>46,348,074</u>	<u>19,923,000</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u>\$ 153,700,408</u>	<u>\$ 275,607,032</u>	<u>\$ 248,372,921</u>	<u>\$ 232,523,132</u>	<u>\$ 214,636,737</u>
The total of the above net indebtedness amounts to:					<u>\$ 73,548,219</u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation:					<u>\$ 500,819,053</u>

Source: Current and prior year financial statements.

**Federal Single Audit
and
State Single Audit
of the
Town of Stonington, Connecticut
For the Year Ended June 30, 2021**

Town of Stonington, Connecticut

For the Year Ended June 30, 2021

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**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on
an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Independent Auditors' Report

**Board of Finance
Town of Stonington, Connecticut**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Stonington, Connecticut ("Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 25, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Board of Finance
Town of Stonington, Connecticut**

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 25, 2022

**Federal
Single
Audit**

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance;
and Report on the Schedule of Expenditures
of Federal Awards Required by the Uniform Guidance**

Independent Auditors' Report

**Board of Finance
Town of Stonington, Connecticut**

Report on Compliance for Each Major Federal Program

We have audited the Town of Stonington, Connecticut's ("Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2021. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

**Board of Finance
Town of Stonington, Connecticut**

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Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Board of Finance
Town of Stonington, Connecticut**

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Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Stonington, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated February 25, 2022, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 25, 2022

Town of Stonington, Connecticut
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

<u>Federal Awarding Agency/Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Name of Funder Pass Through Entity</u>	<u>Identifying Number Assigned by Funder Pass Through Entity</u>	<u>Provided to Subrecipients</u>	<u>Total Expenditures</u>
<u>U.S. Department of Agriculture</u>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	State Department of Education	12060-SDE64370-20508	\$ -	\$ 35,508
COVID-19 School Breakfast Program	10.553	State Department of Education	12060-SDE64370-29576	-	46,014
National School Lunch Program - Cash	10.555	State Department of Education	12060-SDE64370-20560	-	217,973
COVID-19 National School Lunch Program	10.555	State Department of Education	12060-SDE64370-29572	-	97,407
National School Lunch Program - Commodities	10.555	State Department of Education	N/A	-	<u>50,974</u>
Total Child Nutrition Cluster					<u>\$ 447,876</u>
<u>U.S. Department of Housing and Urban Development</u>					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	State Department of Housing and Economic Development	12060-DOH46920-20730	-	<u>323,330</u>
<u>U.S. Department of the Interior</u>					
Clean Vessel Act	15.616	State Department of Energy and Environmental Protection	12060-DEP44434-20954	-	<u>948</u>
<u>U.S. Department of Labor</u>					
COVID-19 Unemployment Insurance	17.225	State Department of Labor	N/A	-	<u>51,619</u>
<u>U.S. Department of the Treasury</u>					
Coronavirus Relief Fund		State Office of Policy and Management	12060-OPM20600-29561	-	117,943
Coronavirus Relief Fund		State Department of Education	12060-SDE64370-29561	-	<u>218,663</u>
Total U.S. Department of the Treasury	21.019				<u>336,606</u>
<u>U.S. Department of Education</u>					
Title I Grants to Local Educational Agencies		State Department of Education	12060-SDE64370-20679-2020	-	10,283
Title I Grants to Local Educational Agencies		State Department of Education	12060-SDE64370-20679-2021	-	<u>301,572</u>
Total Title I Grants to Local Educational Agencies	84.010				311,855
Special Education Cluster (IDEA):					
Special Education - Grants to States (IDEA, Part B)	84.027	State Department of Education	12060-SDE64370-20977-2021	-	412,567
Special Education - Preschool Grants (IDEA)	84.173	State Department of Education	12060-SDE64370-20983-2021	-	<u>11,840</u>
Total Special Education Cluster (IDEA)					424,407
Career and Technical Education - Basic Grants to States		State Department of Education	12060-SDE64370-20742-2020	-	1,200
Career and Technical Education - Basic Grants to States		State Department of Education	12060-SDE64370-20742-2021	-	<u>23,675</u>
Total Career and Technical Education - Basic Grants to States	84.048				24,875
Supporting Effective Instruction State Grants		State Department of Education	12060-SDE64370-20858-2020	-	12,097
Supporting Effective Instruction State Grants		State Department of Education	12060-SDE64370-20858-2021	-	<u>45,456</u>
Total Supporting Effective Instruction State Grants	84.367				57,553

(Continued)

Town of Stonington, Connecticut
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

<u>Federal Awarding Agency/Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Name of Funder Pass Through Entity</u>	<u>Identifying Number Assigned by Funder Pass Through Entity</u>	<u>Provided to Subrecipients</u>	<u>Total Expenditures</u>
<u>U.S. Department of Education (continued)</u>					
Student Support and Academic Enrichment Program (Title IV)		State Department of Education	12060-SDE64370-22854-2020	\$ -	\$ 19,750
Student Support and Academic Enrichment Program (Title IV)		State Department of Education	12060-SDE64370-22854-2021	-	<u>21,357</u>
Total Student Support and Academic Enrichment Program (Title IV)	84.424				\$ 41,107
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	State Department of Education	12060-SDE64370-29571	-	<u>280,435</u>
Total U.S. Department of Education					<u>1,140,232</u>
<u>U.S. Department of Health and Human Services</u>					
Voting Access for Individuals with Disabilities- Grants for Protection Advocacy Systems	93.618	Secretary of the State	12060-SOS12500-21465	-	<u>18,935</u>
<u>U.S. Department of Homeland Security</u>					
Emergency Management Performance Grants	97.042	State Department of Emergency Services and Homeland Security	12060-DPS32160-21881	-	9,324
Port Security Grant Program	97.056	Direct Program	N/A	-	<u>29,733</u>
Total U.S. Department of Homeland Security					<u>39,057</u>
Total Federal Awards				<u>\$ -</u>	<u>\$ 2,358,603</u>
					(Concluded)
N/A - Not applicable or not available					

See Notes to Schedule of Expenditures of Federal Awards.

Town of Stonington, Connecticut

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

1. Basis of presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Town of Stonington, Connecticut ("Town") under programs of the federal government. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in fund balance, changes in net position, or cash flows of the Town.

2. Summary of significant accounting policies

A. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

B. The Town has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

3. Noncash awards at fair value

The Town received and expended \$50,974 of USDA donated commodities under the National School Lunch Program.

4. Prior year findings and questioned costs

There were no prior audit findings or questioned costs.

Town of Stonington, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified opinion

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements
noted?

 yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Type of auditors' report issued on compliance
for major programs:

Unmodified opinion

Any audit findings disclosed that are required
to be reported in accordance with
2 CFR Section 200.516(a)?

 yes x no

<u>AL Number</u>	<u>Name of Federal Program</u>
10.553/10.555	Child Nutrition Cluster
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between
type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 x yes no

II. Findings - Financial Statement Audit

None

III. Findings and Questioned Costs – Major Federal Award Programs Audit

None

**State
Single
Audit**



**Report on Compliance for Each Major State Program;
Report on Internal Control Over Compliance; and Report
on the Schedule of Expenditures of State Financial
Assistance Required by the State Single Audit Act**

Independent Auditors' Report

**Board of Finance
Town of Stonington, Connecticut**

Report on Compliance for Each Major State Program

We have audited the Town of Stonington, Connecticut's ("Town") compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2021. The Town's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major State Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

**Board of Finance
Town of Stonington, Connecticut**

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Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Stonington, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We have issued our report thereon dated February 25, 2022, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 25, 2022

Town of Stonington, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2021**

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State Grant Program Core CT Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Expenditures</u>
<u>Department of Education:</u>			
Talent Development	11000-SDE64370-12552	\$ -	\$ 1,075
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	6,584
Healthy Foods Initiative	11000-SDE64370-16212	-	12,640
Adult Education	11000-SDE64370-17030	-	8,777
Health Services	11000-SDE64370-17034	-	7,593
School Breakfast	11000-SDE64370-17046	-	10,862
Magnet Schools	11000-SDE64370-17057	-	61,100
<u>Department of Children and Families:</u>			
Youth Services Bureau	11000-DCF91141-17052	-	18,150
Youth Service Bureau Enhancement	11000-DCF91141-17107	-	10,734
<u>Department of Housing:</u>			
Bond Fund	12039-DOH46920-40233	-	15,000
<u>Department of Economic and Community Development:</u>			
Brownfield Remediation Program	12052-ECD46260-35533	-	77,647
<u>Department of Emergency Services and Public Protection:</u>			
Asset Forfeiture	12060-DPS32155-35142	-	2,330
Enhanced 911 Telecommunications Fund	12060-DPS32741-35190	-	51,221
<u>Office of Policy and Management:</u>			
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	1,632
Property Tax Relief for Veterans	11000-OPM20600-17024	-	15,260
Municipal Grants-in-Aid	12052-OPM20600-43587	-	100,332
<u>Connecticut State Library:</u>			
Historic Documents Preservation Grants	12060-CSL66094-35150	-	5,500
<u>Department of Transportation:</u>			
Town Aid Road Grants Transportation Fund - Municipal	12052-DOT57131-43455	-	149,372
Town Aid Road Grants Transportation Fund - STO	13033-DOT57131-43459	-	149,372
Total State Financial Assistance before Exempt Programs			<u>705,181</u>
<u>Exempt Programs:</u>			
<u>Department of Education:</u>			
Education Cost Sharing	11000-SDE64000-17041	-	1,051,626
Special Education - Excess Cost - Student Based	11000-SDE64370-17047	-	940,192
<u>Office of Policy And Management:</u>			
Mashantucket Pequot/Mohegan Fund Grant	12009-OPM20600-17005	-	30,000
Municipal Stabilization Grant	11000-OPM20600-17104	-	218,992
Total Exempt Programs			<u>2,240,810</u>
Total State Financial Assistance		<u>\$ -</u>	<u>\$ 2,945,991</u>

See Notes to Schedule of Expenditures of State Financial Assistance.

Town of Stonington, Connecticut

Notes to Schedule of Expenditures of State Financial Assistance For the Year Ended June 30, 2021

1. Basis of presentation

The accompanying schedule of expenditures of state financial assistance ("Schedule") includes state grant activity of the Town of Stonington, Connecticut ("Town"), under programs of the State of Connecticut. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including general government, education, public safety, public works, sanitation and social services.

Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in fund balance, changes in net position, or cash flows of the Town.

2. Summary of significant accounting policies

The accounting policies of the Town, conform to accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board.

The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of accounting

The expenditures reported on the schedule of expenditures of state financial assistance are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

3. Prior year findings and questioned costs

There were no prior year audit findings or questioned costs.

Town of Stonington, Connecticut

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2021

I. Summary of Auditors' Results

Financial Statements

Type of auditors' opinion issued: Unmodified opinion

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Type of auditors' opinion issued on compliance for major programs: Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? yes x no

The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Office of Policy and Management:		
Municipal Grants-in-Aid	12052-OPM20600-43587	\$ 100,332
Department of Transportation:		
Town Aid Road Grants Transportation Fund - Municipal	12052-DOT57131-43455	149,372
Town Aid Road Grants Transportation Fund - STO	13033-DOT57131-43459	149,372
Dollar threshold used to distinguish between type A and type B programs:		<u>\$100,000</u>

II. Financial Statement Findings

None

III. State Financial Assistance Findings and Questioned Costs

None